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# FINANCIALTIMES

Wednesday July 30 1986

D 8523 B

# Beirut hit by second car bomb

World news.

# A\$ ends **Sydney** recovers

A second car bomb exploded in Bei-rut yesterday, in the Moslem western sector of the city, killing at least 24 people and wounding 180. Thirty people died and more than 100 were injured on Monday when an explo-sive-packed Mercedes demolished buildings and cars in the Christian The latest bomb went off near

Beirut's green line frontier at a road junction crowded with taxis

### Craxi go-ahead

Italy's government crisis reached a solution yesterday when Socialist Party leader Mr Bettino Craxi was told to go ahead and form a new sovernment Page 2

### Afghan offensive

Soviet and Afghan armour and aircraft movements south-west of Kabul suggest a major offensive has begun against Moslem rebels in Logar province, according to Western diplomats. Page 2

### Opec changes tack

Ξ

Opec ministers meeting in Geneva yesterday abandoned attempts to reach a binding agreement on oil quotas under a specific ceiling and instead began negotiating volun-tary short-term production cuts as a way of reducing the world oil glut and stopping the drop in prices.

### Chernobyl expulsion

The former chief engineer of the Chernobyl nuclear power station, I.
Fomin, has been expelled from the
Soviet Communist Party for negligence in providing guarantees of
safety and conducting experiments,
Pravda Ukraine reported. The accident in the reactor last May has led to a sharp drop in the number of Western tourists visiting the Soviet Union and East European coun-

### Nato exercise

Nato forces are to mount a military exercise in northern Europe next month that will involve 150 ships, 35,000 troops and hundreds of air-

### «Kurds strike viilage

Kurdish rebels have attacked a village in south-eastern Turkey, killing three farmers and injuring five others. Kurds seeking autonomy have repeatedly clashed with Turkish government forces over the chipmaker, said, meanwhile, that it others. Kurds seeking autonomy have repeatedly clashed with Tur-kish government forces over the

### Weinberger warning

US Defence Secretary Caspar Weinberger said that the present cam-paign in the US Congress to cut military spending could place Washing-ton in the position Britain occupied just before World War Two when its strategic commitments outstripped

### Air routes talks

Britain and France agree on the need for more liberal air routes in Western Europe, French Junior Transport Minister Jacques Douffi-agues said yesterday after meeting his British counterpart John Moore.

### Whaling row

Iceland's Prime Minister Steingrimur Hermansson yesterday summoned US ambassador Nicholas Ruwe to protest against the threatened American boycott of Icelandic fish products that caused Iceland to halt its whale hunt no Monday.

### Long long-distance

The West German post office has said that it does not expect a home-rick Bangladeshi refugee living near Cologne to be able to pay the DM 40,000 (\$18,860) bill he incurred in long-distance charges, and has disconnected the man's telephone.

# steadier;

No. 29,993

AUSTRALIAN dollar traded stead-ier in the wake of Monday's Government measures, closing at 60.8 US cents in Sydney. Page 29. Share prices recovered in Sydney, with All Ordinaries index advancing 11 to 1,105.5. Page 36. Federal Treasurer Paul Keating said that relaxation of foreign investment rules had been planned for some time and was no a panic measure to prop up the cur rency. Page 14; Editorial comment Page 12; Feature, Page 13

WALL STREET: By 2pm the Dow Jones industrial average was 4.07 lower at 1,769.83. Page 36

TOKYO: Buying interest was damp ened by the overnight plunge no Wall Street and the yen's strong ral-ly. The Nikkei average tumbled 310.00 to 17,728.94. Page 36

LONDON: A steadier performance by sterling in foreign exchange markets enabled confidence to rebuild in the share and bond mar-kets. The FT Ordinary share index closed 7.8 higher at 1,271.6 and the FT-SE 100 was 7 up at 1,558.4. Page 36

DOLLAR fell in London to DM 2.1110 (DM 2.1135); SFr 1.6900 (SFr 1,7000); Y155.70 (Y155.75), but rose to FFr 6.84 (FFr 6.8375). On Bank of England figures the dollar's index fell to 112.2 from 112.7. Page 29

STERLING rose in London to \$1.4885 (\$1.4815); DM 3.1425 (DM 3.1300); FFr 10.16 (FFr 10.13); Y231.75 (Y230.75), but fell to SFr 2.5150 (SFr 2.5175). The pound's exchange rate index rose 0.4 to 72.1. Page 29

GOLD fell \$1 to \$352.50 on the London bullion market. It also fell in Zurich to \$352.25 from \$353.45.

ARGENTINA and Brazil yesterday signed an economic integration pact designed to create a larger capital goods market for both coun

FRENCH Government will launch its ambitious privatisation pro-gramme by drawing up in the com-ing months a limited list of state npanies to be denationalised

SEMICONDUCTORS: US officials tlement of the beated trade dispute with Japan would be announced before tonight's deadline when the Commerce Department must decide whether to impose stiff antidumping duties on Japanese makwas withdrawing from the Eprom market and cutting its workforce by

WEST GERMAN banking consor tium headed by Westdeutsche Lan-desbank has sold the Nova-Park botel properties in New York and Paris for \$89m. Page 15

ARMCO, struggling US steel com-pany, suffered a further loss in the second quarter when it was hit by a new round of special charges and its net loss for the period amounted to \$384.7m - more than half of its sales of \$657.7m. Page 15

CHASE MANHATTAN and Merrill Lynch, two leading New York financial institutions, reported substan-tial gains on the sale of peripheral activities which do not fit in with their long-term strategies. Page 15

LUFTHANSA, West Germany's national airline, and Iheria, the Span-ish state airline, have begun negotiations aimed at forming a new charter airline. Page 15

SWISSAIR. Swiss national airline incurred a gross earnings decline in the first six months of this year to SFr 83m (\$51.8m) compared with SFr 174m in the same period last year. Page 15

NIXDORF. West German computer group which came to the stock market two years ago, expects to turn in strong profits for 1986 following buoyant sales and orders for the first six months. Page 15

\_ CONTENTS

# Botha rejects EEC 'interference' as Howe mission fails

BY ROBERT MAUTHNER AND BERNARD SIMON IN PRETORIA

SOUTH AFRICAN President P W Botha yesterday defiantly and unambiguously rejected proposals hy the European Community mission led by British Foreign Secretary Sir Geoffrey Howe for a peaceful dia-logue between Pretoria and the country's black leaders.

Speaking at the end of his second

meeting in a week with Sir Geof-frey, a confident Mr Botha almost disdainfully said that "we cannot al-low uncalled for direct interference in our internal affairs." He made it clear that the South African Govrelease of imprisoned black leader Mr Nelsoo Mandela and the unbanning of the African National Congress until a string of conditions is

met.
Sir Geoffrey put on a more diplomatic face, but openly recognised that his current mission had failed.
The responses which I have remained have not yet enabled me to claim that I have made the progress I would have liked," he said at a press conference immediately before leaving for London after his week-long tour of five Southern African nations.

Sir Geoffrey returns to London not only rebuffed, but also humiliat-ed. The failure of his mission, which not only rebuffed, but also humiliated. The failure of his mission, which was never given much hope of success, is almost certain to increase measures against Pretoria are like-

South African textile exports to the US will be limited under an agreement aimed at protecting US producers. The White House said that imports of most prodncis would be allowed to grow at no more than 4 per cent a year. Wool products would be limited

to 1 per cent growth.

pressure on the British and US governments for stiffer sanctions against South Africa. His experience also illustrates that Pretoria is, for the time being at least, im-pervious to foreign persuasion to accelerate and broaden its reform

programme. Sir Geoffrey refused to be drawn on whether he would pay another visit to Southern Africa at the head of an EEC mission in the near future. The possibility had not been excluded, he said. It depended on consultations he would now have

weekend to consider further measures against South Africa. Sir Geoffrey declined to antic-

y to be adopted, not only by the commonwealth and the EEC, but by the US and other countries too. There is a pattern of further measures potentially in prospect," he

Mr Botha hluntly reaffirmed the Pretoria Government's determination to resist sanctions. "If we are forced until our backs are against the wall," he said, "we will have no alternative but to stand up in selfrespect and say to the world: You won't force South Africans to commit national suicide "

The South African leader said that as an alternative to sanctions. he had proposed to Sir Geoffrey that Southern African and EEC leaders should meet "for the purpose of jointly identifying and addressing the problems that afflict us and others in the region. Mr Botha is expected to outline

whatever further political reforms consultations he would now have be has in mind at a special congress with EEC and Commonwealth govor the ruling National Party on Au-Seven Commonwealth leaders in response to Sir Geoffrey's are due to meet in London at the statement that Pretoria "holds the

key to a solution" of Southern Africa'a problems. Mr Botha spelt out a Continued on Page 14

Struggle for order in schools, Page 3; US pressure for sanctions, Page 4

# further lull in output

and employment is expected to fall ing high levels of working capital, by 6,000 a month over the coming Mr Wigglesworth said.

try. While an improvement is anticipated in the coming months, it is

Mr David Wigglesworth, chairtheir stocks.

They seem to be clearing their shelves and reducing their ware-

prices are falling and there's a good growth it has enjoyed since the chance they will be able to buy more cheaply later on. In addition, said there was every reason to bewith interest rates which are still lieve the pause would soon be over very high by international standards, this is no time to be financial. It is felt at the Treasury that as

Output over the past four months the rate of job creation in small than being absorbed by destocking, has been much worse than expect-companies, which have in recent since companies have already reof job losses among larger manufacturing companies. The CBI foreturing employment to 5.35m by October, down 1% per cent from a year

> The CBI survey provides lukewarm comfort for the Government, reinforcing its view that the hall in economic activity should soon come to an end, but indicating it could

Mr Nigel Lawson, Chancellor of the Exchequer, has described the sluggish economic conditions in the UK as "a pause in the remarkable year's deficit of £10.2bn.

The CBI survey, however, indi-

cates that more companies expect further reductions in stock levels, both of raw materials and of finished goods, than at any time in the last three years.

months, with a majority of compa-nies anticipating lower export orders for the first time since 1983. If the flat trend in exports were to

continue to the end of the year, the CBI says, the deficit in non-oil trade for 1986 would be £10hn to £11hn (\$14.8bn-\$16.28hn), similar to last

# UK manufacturers see

BY GEORGE GRAHAM IN LONDON

BRITAINS manufacturers are less optimistic now than they have been since 1982, with new orders declining and output flat and likely to re-main so at least until October. Export orders appear hard to come by, and employment is expected to fall

ed, according to a survey of manufacturing companies carried out by the Confederation of British Induslikely to be slow and to be concentrated in the consumer goods indus-

man of the CBI's economic situation committee, said output had flattened off because of the slowdown in world trade and because UK still be several months before any manufacturers are running down upturn materialises.

house stock because raw material

ng high levels of working capital", rising real earnings fuel consumer for Wigglesworth said.

The survey shows a slowdown in through directly into output rather

Export performance is also ex-pected to be poor in the next four

# NatWest lifts profits 34% and seeks New York, Tokyo listings

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON BOOMING conditions in the UK sire to broaden the range of its returned unchanged profits of banking market belped National overseas shareholders.
Westminster Bank, Britain's largest commercial bank, to increase its pre-tax profits by 34 per cent in the first half of this year to £482m

The increase, announced yesterday, was considerably larger than expected and it points to healthy profits at Midland and Barclays, which are due to report in the coming days. Lloyds has already reported a gain of 27 per cent.

NatWest's shares rose 5p to 517p and other bank shares were strong no the announcement of results, although they later fell back again. NatWest also said yesterday that it was seeking a listing for its shares on the New York and Tokyo shares on the New York and Tokyo
stock exchanges – a move which reflects the growing internationalisation of banking and NatWest's detion of banking and NatWest's de-

Lord Boardman, the chairman, said the interim results marked an excellent trading performance with steady income growth being achieved in a period of falling interest rates worldwide, and with effec-tive control of our operating costs."

NatWest earned by far the largest share of its profits from the domestic market despite mounting competition from other banks and huilding societies in the loan and deposit siness. Profits rose by 57 per cent to £320m. The contribution of internation banking, by contrast, rose only 5 per cent to £118m.

NatWest's other ventures, such as

On the cost side, NatWest was able to reduce the growth in provi-sions for bad and doubtful debts. Its total costs were up 13.5 per cent. The strong domestic results were

largely thanks to the fall in UK interest rates, which enabled Nat West to cut its rates to depositors while continuing to glean high returns on fixed-rate loans made when interest rates were much West's average deposit and base lending rates in the period was an exceptionally high 3.8 per cent. NatWest expects good conditions to continue in the UK.

The interim dividend is 7p a share, an increase of 10.4 per cent.

Europe	Eurobands	West Germany: Neo-Nazis exploit refugee fears 2  Peru: putting creditors' patience to the test 4  Technology: high winner in
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azis Australia: last chance for the Lex: NatWest; UK equities; Dee Corp ...... 14

> Management: how unimaginable crises become reality 24

South Korea: foreign banks

ahead with television satellite project

THE FRENCH Government is to proceed with a controversial FFr 3.5bn (\$512m) direct broadcasting television satellite programme des-pite opposition from several Cabi-net ministers and the French telecommunications authority. The decision to persevere with

the project was taken by Mr Jacques Chirac, the Prime Minister, Jacques Chirac, the Frime Minister, after a meeting yesterday with ministers involved in the programme.

Mr Chirac had the choice of either cancelling the entire programme,

caling it back or pursuing it. Although the French telecom tions authority and the French Minister for Post and Telecomr tions, Mr Gerard Longuet, had criticised the satellite programme, Mr Chirac had come under heavy pressure to save the project from indus-trial groups and Telediffusion de France (TDF), the agency oversee-

ing the programme.

The project involves the launch
by the European Ariane space rocket of a first direct broadcasting satellite, TDF-1, in the second part of next year to be followed, probably m 1989, by a second satellite, TDF 2. It was originally approved seven years ago as a joint Franco-German television satellite collaboration venture.

The French Government has already invested about FFr 1.5bn in the programme. This is one of the main reasons which is understood to have persuaded the Government to continue with the project. At the same time, the programme's promoters argued forcefully that France, and indeed Europe, risked losing out to Japan and the US in the stakes for the future generation of satellite television broadcasting if the TDF direct broadcasting satellite project was abandoned at this

Critics of the French satellites claimed that the TDF-1 and TDF-2 system was likely to turn into an-other Concorde and that it had already been overtaken by a new generation of less powerful mixed tel-ecommunications and television broadcasting satellites. They also argued that the new satellites could beam a far greater number of tele-vision channels than the four chan-nels on TDF-1.

tually all Western Europe when it is finally placed in orbit. The satellite was originally due to be launched this autumn but the project was de-layed after the recent failure of the Ariane space rocket and govern-

Continued on Page 14 Cuts in French civil service, Page 14

# Paris goes Volcker hint on rates halts bonds slide

BY TERRY DODSWORTH AND WILLIAM HALL IN NEW YORK

the Federal Reserve Board, gave an unexpectedly strong hint yesterday that US interest rates could fall further. His comments halted the

week-long slide in US bond prices. Speaking before the House of Representatives Banking Committee, Mr Volcker said that real inter-est rates were historically high given his expectation of inflation. He added that the decline in US interest rates had not yet reached the point where it was deterring capital

inflows from abroad.

Mr Volcker's comments caused an immediate recovery in the bond market where dealers had been showing increasing concern that the Fed's recent discount rate cut and the subsequent decline in the dollar might deter foreign participation in the imminent US Treasury

refunding programme.

Mr Bob Brusca, chief economist at Nikko Securities in New York, quite remarkable" and said that they were "most constructive". By early afternoon, the 30-year US Treasury long bond had gained just over % point where it was yielding 7.5 per cent, against 7.57 per cent on

Over the last week and a half their record mid-July low of 7.11 per cent as investors have become in-

MR PAUL VOLCKER, chairman of creasingly nervous about the impact of the falling dollar which has been hitting record lows against the

Australia: the lucky

last chance, Page 13

country's

Pressed about the dangers of a continuing decline in the dollar, Mr Volcker said that the US would be better off if America's trading partners spurred growth in their economies rather than relying on a further deprecianon of the dellar.

However, when Mr Volcker was asked whether he expected the US economy to slip into a recession, he said that "we are not as a grapup anin New York, the dollar recovered

some of Monday's losses but traders remained nervous ahead of to-day's US trade figures, which are expected to show another large def-

George Graham in London adds: Foreign exchange riealers were again unsure which message to vesterday described Mr Volcker's drow from Mr Volcker's remarks. comments on interest rates as as they were after his Senate testimnny last week.

The dollar initially moved lower, dropping as far as DM 2.105 and closing in London at DM 2.111 down 0.15 pfennigs from Monday's close. It then recovered above DM 2.12, bowever, as dealers took profits and reacted to the disapproval voiced by the Fed chairman of Monlong-term government bond yields voiced by the Fed chairman of Monhave risen by 45 hasis points from day's sharp fall in the dollar's value.

Money markets, Page 29

# Baldrige tells Japan to increase imports

BY IAN RODGER IN TOKYO

crease imports by opening its mar-kets is translated quickly into ac-tion, Mr Malcolm Baldrige, Commerce Secretary, warned yester-

day.
Mr Baldrige told Japanese business leaders that US frustration with Japan's buge and still growing trade surplus had reached a critical Mr Baldrige, who has been on a However, neither this policy nor the high yen had succeeded in rais-

of the situation, said attempts by Congress to pass protectionist legis-Congress is due to vote next Wednesday on whether to override President Ronald Reagan's veto of

the Jenkins textile bill, aimed at

Tokyo to emphasise the seriousness

THE US is on the verge of shutting curbing exports to the US. Mr Belits borders to many Japanese goods unless Tokyo's declared policy to insurances from the oew Japanese Cabinet and Japanese business leaders on their plens to increase imports might help the Reagan Administration in its battle to sustain the veto.

He paid tribute to the Japanese Government for removing many tariff and non-tariff barriers in recent years, and for espousing a clear pro-import policy.

ing Japan's import levels. The prob-lem was that the Japanese hursaucracy and business community bad lation could succeed as early as not taken to heart the need to im-The world is looking to Japan -

and especially to you, the industri-

Continued on Page 14

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Completed applications must be returned by 31st October 1986.	



# Opec seeks voluntary cuts in oil production

BY RICHARD JOHNS IN GENEVA

THE ORGANISATION of Petroleum Exporting Countries (Opec) decided yesterday in a mood of desperation to seek an interim compromise aimed at boosting oil prices through "voluntary" production cuts by individual member states.

Dr Subroto, Indonesia's chief delegate, together with Mr Rilwanu Lukman, Nigeria's Minister of Petroleum Resources and current president of Opec, were entrusted with the task of canvassing each delegation to find out how much their governments would be pre-pared to reduce rates of output.

The new approach reflected a recognition of the impossibility at this point of reaching a binding agreement on quotas unues a specific ceiling. Nevertheless, some

Spying in

detailed

Switzerland

By John Wicks in Zurich

Greece is forced to

borrow more abroad

Greece has had to borrow more ebroad than planned in the first

the maximum limit should be shout in little more than a year - from the fairest distribution under a 17.6m 1986 was only \$36.7bn compared 17.6m barrels a day (b/d), reckoned by the majority to be the demand for Opec trade in 1986, should be

A group of five mainstream mem-bers – Saudi Arabia, Kuwait, Venezuela, Nigeria and Indonesia - have already indicated their willingness to lower their individual production by 15 per cent from the total of more than 20m b/d sustained during July, probably about 3m b/d above actual consumption require-

It is understood, however, that they have made no binding commitment and are looking to other member states to make some kind of un-

point of view of producers, seems to be some kind of ad hoc arrangement sufficient to rein in collective ab Emirates and Qatar. be some kind of ad hoc arrange-meet sufficient to rein in collective output from financially suicidal levels achieved in the wake of the failure to reach an accord on quotas

s month ago on the Yugoslav island

There, the majority agreed that it uble for the foreseeable future. The would be possible to restore prices understanding was that any accord to the \$17-\$19 range if output was limited to 17.9m b/d. Thet calculation restraint would have to be limited to the other 11 memtioo could require very drastic revi- bers. sion in the light of the surge in col-lective production in June and July.

The UAE, the other member which has posed the biggest obsta-

Perhaps the most equitable solu-tion yet devised to solve the predicament of Opec was virtually thrown out of the window when Dr

The best outcome of this confer-ence - the seventh Opec gathering

Subroto's proposals - on what indi-ence - the seventh Opec gathering

Subroto's proposals - on what indi-ence - the seventh Opec gathering

Subroto's proposals - on what indi-bers' revenue in the first half of per barrel revenue

cle to a deal on quotas, has indicat-

At a full session yesterday morn-

ing, there was general consensus that the differences between Iran

war for nearly six years, were insol-

tions, the loss was very unevenly

Iran suffered most with a decline of 53 per cent from \$6.2bn to \$2.8bn. and Iraq, which have now been at Libya's receipts declined by 42 per cent from \$4.1bn to \$2.3bn.

> Iraq suffered the least as a result of the opening of the export outlet through the pipeline to the Red Sea. It was only 9 per cent down from \$4.3bn to \$3.9bn, the Opec experts

Saudi Arabia was down only 24 per cent from \$12.7bn to \$9.6bn as a result of its decision to force Opec into the priority of regaining mar-ket share rather than maintaining



Sheikh Yamani of Sandi Arabia: Ready to agree cuts

### Peter Bruce surveys the state of West Germany's far right

# Neo-Nazis exploit refugee fears

SWITZERLAND is the scene of large-scale espionage on the part of East bloc countries, according to the Federal Public Prosecutor's Office in Berne.

Mr Roland Hauenstein, the

Anti-black sentiment is said now to be marked in areas where the refugees—there may be as many as 100,000 this year—bave been concentrated by bard-pressed authorities. Local politicians say right-wing groups have stepped up poster campaigns and residents of towns bave been subjected to crude racist mailshots.

The Free-German Worker's regularly calls for action against "the weakening and loss of national identity through mixing (races)." Bonn is run by "traitors," the party believes.

The Free-German Worker's regularly calls for action against The weakening and loss of national identity through mixing (races)." Bonn is run by "traitors," the party believes.

Strasser—who organised the Nazi Party in northern Germany "and Roehm were killed, with Hitler's tacit consent, on June to the healthy, mainly because of money given to it to campaign in the 1984 European Parliament elections. It expects to existent coup. Otto Strasser, with breathoffice's spokesman, said "some-thing like a quarter" of the staff of these nations diplomatic missions in Switzerland were engaged in some form of espion-age. Since 1970, 143 cases of esplonage bad been uncovered in Switzerland. Of these, 97 involved "East bloc or Eastern-

oriented states."

He drew particular attention to the "substantial" growth in industrial esplonage in the past few yeers. This was organised by governments in East bloc countries which spent Authorities in Helmstedt, a small town near the border with East Germany, believe right wing youth were respon-sible for the flares fired three weeks ago at tents erected near years planning the placement of agents. Spying by Western countries generally reflected private-sector competition. the town for refugees.

They also blame right-wing or neo-Nazi groups for starting a series of fights in the town with Ghanaian, Iranian and Lebanese Over the past 16 yeers, some 13 per cent of all detected East bloc espionage concerned industrial secrets, with the perrefugee youths wendering through the town at night. Whocentage in the West rising to as much as 59 per cent. ever has started these fights, local residents have become

Right-wingers were being blamed by West Berlin's Christian Democrat rulers for lest weekend's burning down of a number of tents, empty at the

seven months of 1986 due to lower private deposits and demand for government bonds, according to Mr Dimitris Chakkias, the central bank Chakkias, the central bank governor, writes Andriana issue to exploit. Despite the infamous successes 50 and more years ago of their Nazi reached \$2bn by the end of August, against a target of \$1.7bn for the whole year. Part of this has gone into reserves. Bank officials sey borrowing may reach \$2.2bn by the end of the year, bringing Greece's overall external debt to more than \$17bn.

In the central bank an issue to exploit. Despite the infamous successes 50 and more years ago of their Nazi forebears, today's German used by counter intelligence could be mislead-ing. While the 29 neo-Nazi groups in tha country are so identified because they argue for the reintroduction of prosperity — to a pathetic collection of some 68 fractious groups. Their membership totals 22,100, eccording to the latest report on political extremism published by West white Germany.

A FLOOD of Third World refugees into West Germany may be proving increasingly rich and welcome political fodder for the country's once dwindling band of right-wing extremists.

German counter-intelligence.

Money is in short supply for the neo-Nazi groups. It costs DM 1.000 (£320) to interview Mr Martin Pape, chairman of the Free-German Worker's Chapter (FAP).

For example, the 8,100-strong Nationaldemokratische Partei Deutschlands (NPD), the biggest extremist group and not officially classified as neo-Nazi, regularly calls for action against the weakening and loss of Nazi Party in northern Germanic Nazi Party Nazi Party in northern Germanic Roehm, a rebellious hisexual, commanded the SA, tha fore-runner of the SS. Gregor Strasser—who organised the



A meeting of a nee-Nazi group, the modern successors of Hitler's SA troops of the 1930s

time, set up for refugees.

It remains to be seen just taking precision, that there how much capital the extremists were 1.420 active neo-Nazis in meke out of West Germany's refugee problem, which has come at a time when they need than in 1984.

However, the neo-Nazi taking precision, that there get about DM 1m to fight the were 1,420 active neo-Nazis in next EEC election in 1989.

The NPD has, nevertheless, performed very badly in elec-tions. Its 0.7 per cent of the vote in the Saarland state elec-this change of allegiance, Mr vote in the Saarland state elec-tion in 1985 was actually an improvement on to the 0.3 per cent it won in the last federal elections in 1983 and its 0.5 per cent in the EEC poll in 1984. It decided not to compete in the North Rhine Westphalia stata election last year. election last year.

A few years ago, two convicted right-wing terrorists same.
wrote a pamphlet titled Farewell to Hitlerism, in which they
accused the Fuehrer of betraying national socialism and of
making the Nazi Party capitalist,
heusening and allitist. Since traitor to national socialism has increased."

The new heroes are the Strasser brothers, Gregor and Otto, and Exnst Roehm. The Strassers were arguably left-wingers in the Nazi Party of the 1930s. Anti-capitalist, they took the "socialist" element in is bound to recur.

expelled from the Nazi Party, had fied to Canada in 1933.

So great has been the strain

While the NPD serves at least as a focal point for the "civilian" extremist movements, the official neo-Nazis are in fairly spectacular ideological dissarray.

Much to the annoyance of the radical Greens, the environmentalist party, government ministers often attempt now to link them with right-wing extremism, arguing that the ideological roots of modern left and sight extremism are the Much to the annoyance of

The intelligence report, not neutral in this matter, says the new neo-Nazi Strasser wing often sees its political position. making the Nazi Party capitalist, bourgeois and elitist. Since tion close to extreme leftists toen, says the counter-intelligence report, "the number of and argues in its domestic and voices labelling Kitler as a traitor to national socialism has accommodation with the Soviet

### Craxi wins backing of coalition

By Alan Friedman in Rome

MR BETTINO CRAXI, the Socialist Party leader whose resignation as Prime Minister opened Italy's government crisis on June 27, yester-day received the endorsement of all of the leaders of the fallen five-par-ty coalition to proceed with the for-

mation of a new government.

The positive declaration from leaders of the Christian Democrats, Republicans, Liberals and Social Democrats followed a "summit" of the party leaders which lasted for more than three hours yesterday

The meeting, called by Mr Craxi, ratified the compromise solution agreed between Mr Craxi and the hristian Democrats last week. The compromise will see Mr Craxi staying on as Prime Minister un-til next Merch and then handing over the Palazzo Chigi (the Prime Minister's official residence) to a Christian Democrat, who would be Prime Minister until the end of the

present Parliament in 1988. present Parliament in 1986.
At yesterday's meeting, the party leaders discussed a legislative programme to include approval of Italy's 1987 budget, new laws designed to reform the country's archaic judicial system and the need to appoint board members at the Rai state television network.

Mr Craxi is expected to hold series of bilateral meetings today and tomorrow to discuss a minor cabinet reshuffle and will report to Mr Claudio Martelli, the deputy Socialist Party leader and a close aide to Mr Craxi, said the new government would be presented before Parliament next Monday, with a vote of confidence scheduled to for-

mally end the Rome crisis by the

### Solidarity trial is postponed

and right extremism are the POLAND'S Supreme Military Court yesterday postponed the trial of leading Solidarity underground ac-tivist Tadeusz Jedynak who is charged with preparing to over-throw the state by force, the court's secretariat said, Reuter reports from Warsaw. Mr Jedynak, 37, captured by se-

curity forces in June 1985, was a member of Solidarity's under-Union."

The Greens will be an important target for the Christian Democrat government

KK he represented the Silesia

mining region.
"I was informed only today that
the trial was postponed," Mr Jedynak's wife, Maria, said.

# West German trade surplus up to DM 50bn in first half

BY PETER BRUCE IN BONN

rent account of DM 34.4bn so far, a rise of more than 100 per cent on the first six months of last year.

These figures are embarrassing to Bonn, which is under great pressure from its main western trading partners to

WEST GERMANY'S runaway boost its domestic economy and trade surplus reached a record so encourage imports. But the DM 50.3bn (£16bn) in the first Government has been content six months of this yesr, the to argue that the rise in tha Government said yesterday. This strength of the D-mark against Government said yesterday. This almost equals the DM 54bn in 1984 and more than compensates for the DM 32.2bn achieved in the first half of exports and a corresponding in 1985.

1985.
The federal Statistics Office said the country had echieved an overall surplus on its current account of DM 34.4hn so totalled DM 215.3bn. 8.8 per cent lower than the same time last year. Exports, meanwhile, fell just 1 per cent, to DM 285.3bn. In real terms, imports rose 7 per cent, the agency said, while exports increased by 2 per

### Coking plant closed after cyanide alert

BY OUR BONN STAFF

MILLIONS of fish are feared to have been killed in West Germany's Mosel and Saar rivers in the past few days by cyanide emmissions allegedly from a coking plant belonging to the country's second biggest coal mining group, the state-

owned Saarbergwerke.
The Saar flows into the Mosel which, in turn, joins the Rhine at Koblenz. The state governments of the Rhineland Palatinate and the Sazrland yesterday ordered people not to swim in the rivers and warned against eating any fish

caught in them. Waste water tests yesterday near the plant showed concentrations of cyanide of up to 100 miligramms per litre, about 2,000 times the amount considered safe in ordinary drinking water.

The coking plant, which is sited near the river just north of Saar-brucken, has been ordered to close by the Saarland Government. State officials said an investiga-

tion had begun into how the huge evanide concentrations came to be in the plant's waste water, which it pumps into the Saar. The company

Chernobyi nuclear power station has been expelled from the Soviet Communist Party, the Ukrainian party daily said in an issue reaching Moscow yesterday, Reuter reports from Moscow. Pravda Ukraina said Mr I. Fomin had been expelled for serious mistakes in his work; negligence in pro viding guarantees of safety; and

said yesterday that there was no

reason to believe the emissions

came from the plant's waste water

• The former chief engineer of the

conducting experiments in the plant's fourth reactor which led to the April 26 accident at Chernobyl. The paper said the head of the state committee for nuclear safety in the south-west area had been sacked for unsatisfactory contro over safety and an "unprincipled, liberal attitude" toward the effects of violations of rules at nuclear

Ha was identified only as Com rade Zavalnyuk in the article, dated July 27.

at the Chernobyl plant, named as Mr Parashin, was also sacked

### US can check on Afghan troops, says Moscow

THE US would be able to verify that thousands of Soviet troops due to be withdrawn fro would not be replaced by fresh ferces, Reuter reports the Soviet Fereign Ministry as saying yesterday.

Mr Mikhail Gorbachev, Soviet leader, said in Viadivostok yesterday that six regiments would leave Afghanistan by the end of the year. Western military experts calculated that the six regiments contained a total of about 7,000 troops.

Asked how the withdrawal could be verified as permanent, Mr Gennady Gerasimov, a Foreign Ministry spokesman, said: "This can be verified by national-technical means of monitoring. The Americans rely on such means." He was apparently referring to spy satellites,

Mr Gerasimov declined to mr Gerasinov declined to say how many troops were involved. Western military specialists say the Soviet Union has built up a force of about 115,000 troops in Afghanistan since it intervened there in December 1972.

British visitors appeared to

British visitors appeared to have been the least concerned of all by the highly publicised bombings. In May they totalled just over 690,000. A 47.9 per cent increase on May 1985, and in June they were up by 46 per cent on the same last year.

US visitors, in contrast were down in Spain, as they have been elsewhere in Europe. In the first six months 314,812

visited Spain, 30.7 per cent less

than in the same period last

### Commission's small business plans at risk

By Tim Dickson in Brussels THE EUROPEAN Commission yesterday waxed lyrical about its plans to help the Community's small and medium sized husinesses — but then edmitted that it may not have enough money next year to realise its objectives.

lts action programme—
designed among other things to
improve the legal, fiscal and
cultural environment for small companies within the Com-munity and to encourage new munity and to encourage new entrepreneurs and innovation— was outlined by Mr Abel Matutes, the Spanish commis-sioner with special responsibility

sioner with special responsibility for the sector,

The Commission's ideas, which it says will complement initiatives and polices already under way in member states, include plans to set up offices throughout the Community to disseminate information of interest to small and medium sized businesses, to initiate a Community-wide network of institutes for helping new companies, to promote on enterprise panies, to promote on enterprise culture at European level, and to encourage entrepreneurs to expand outside their national boundaries.

expand outside their national boundaries.

Already, however, tha shadow of EEC budget negotiations has been east over the programme. According to Mr Matutes, member states are planning to reduce the Ecu 10m (£6.7m) which the Commission is seeking to cover small and medium sized business schemes next year, and the additional Ecu 20m "margin for manoeuvre" which it is boping to commit to programmes in future years.

Mr Matutes also regretted tha reluctance of EEC economic and finance ministers to egree the Ecu 1.5bn fourth tranche of the New Community Instrument—money which would be borrowed in the Community's name on international markets and lent to small and medium sized companies.

The Commission yesterday agreed to amend the sixth VAT directive to increase from Ecu 5,000 to Ecu 10,000 the maximum turnover level below which member states are

maximum turnover level below which member states are allowed to exempt businesses from VAT.

# THE "Costa bombing" campaign carried out by the Basque Separatist movement Eta, in May and June failted to hait the growth in Spain's tourist industry. More foreigners than ever entered the country during A report issued by the tourism secretariat on the first six months of this year showed that 16.7m foreigners entered Spain. This was Im more than over the same period last year and a 7.1 per cent increase. Income from tourism between January and May rose by 46.3 and Spain arriving in the first six months were up by 2.5 per cent and those from West Germany, which has strengthened against the dollar, the income increase was 20 per cent over January ever entered the country during May last year. British visitors were tha fassication of 2.5m Britons arrived during the first six months exploded in four hotels in Costa del Sol total of 2.5m Britons arrived during the first six months exercise in visitors during May when Eta bombs exploded in four hotels in Costa del Sol total of 2.5m Britons arrived during the first six months. Spain. This was Im more than over the same period last year. Visitors from France, the lar-yard with June 1985. Chernobyl hits tourism in Eastern Europe

Eta fails to scare away foreign tourists

BY LESLIE COLITT IN BERLIN

A leading West German tour operator said bookings to Poland The fall compounds the were 25 per cent down on last

years was further reinforced by the Chernobyl accident. The damaged nuclear reactor was less than 500km from eastern

The drop in tourism comes as Romanis's exports to the West have fallen, leading to cash flow problems and a rundown in hard currency reserves.

Responsible editor: C.P.P. Smith, Frankfurt/Main. Guioletistrasse 54, 6000 Frankfurt am Main L. O The Financial Times Let, 1986.



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LIMITED congratulate the organisers of

SESTERDAY AND TODAY

and wish them every

exhibition at Olympia.

success with their

يهنئون القائمين والمنظمين

ويتمنون لهم التوفيق، لُمُورضُهُمُ المُقَام بِاولمبيا.

وشركة يونيليفر اكسبورت

THE CHERNOBYL nuclear travel agency, said bookings to reactor accident last May has led to a sharp drop in the number of Western tourists visiting the Soviet Union and several East European countries.

Travel agency, said bookings to Preliminary figures for July of restaurants, hars and discost were said to be back to normal.

A severe decline in the aumber of Western visitors to mumber of Western visitors to mumber of Western visitors to the operator said bookings to Poland were said to be back to normal.

A severe decline in the aumber of Western visitors to make the Soviet Union had dropped were said to be back to normal.

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A severe decline in the several agency and the soviet Union had dropped were said to be back to normal.

already serious loss in Comeyear as a result of the greatly mon's hard currency earnings heightened radioactivity in as a result of declining oil north-eastern Poland in May. Prices in the West. Oil is the Soviet Union's leading export 35,000 Western Europeans had garner and an important source of hard currency for East Europeans had cancelled holidays in Poland. mon's hard currency earnings as a result of declining oil prices in the West. Oil is the Soviet Union's leading export sarrar and an important source of hard currency for East European countries in the form of re-exports of crude and oil products to the West.

Western European tour operators of crude and oil products to the West.

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Western tourism to East to Romania had been halved this year. Last year, 78,000 West reports last May of heightened a loss of about one-third of its west German travel agencies this year. Last year, 78,000 West reports last May of heightened a loss of about one-third of its western tourists this summer. Western tourists this summer. West European tour operators to Romania had been halved this year. Last year, 78,000 West reports last May of heightened radioactivity on the Black Sea considerably fewer Western tourists stay but also because of poor standards of service.

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### New Zealand plans tough budget to cut internal deficit

BY DAI HAYWARD IN WELLINGTON

ZEALAND NEW ZEALAND Finance Minister Roger Douglas is expected to impose a hefty tax increase on the price of cigarettes, possibly as much as 50 cents (18p) for a packet of 20, in tomorrow's budget.

Other measures are likely to include a doubling of the TV incree fee to about NZ\$30 or NZ\$100 and the imposition of

NZ\$100 and the imposition of higher rents for tenants of state-owned low rental houses.

Taxpayers may be compensated by a drop in the price

of petrol—although the cost to the Government of subsidising the production of locally produced synthetic petrol is millions of dollars a year.

Mr Douglas will be struggling to contain the budget deficit to around NZ\$2.5bn. His economic planning received a setback just two months ago when It was revealed faulty arithmetic and forecasting by Treasury officials had underestimated the deficit by NYS in

Mr Douglas will cut government spending by about NZ\$300m by replacing government funding of state run organisations such as the Rural Bank and Development Finance Corporation with loans raised on the open market of coverage on the open market of current market interest rates.

He has alreedy warned several state corporations they must in future go on to the open market to raise the finance they need. Government spending on capital works such as roads and electricity development will be drastically cut back

There will be another major effort to abolish tax reduction sehemes created by the former administration of Sir Robert Muldoon. The Labour Government hoa aireody removed several of these. Mr Douglas'a targets this time mov include tax concessions for oil explore-



Mr Douglas: likely to present

apread interest payments over

Douglas will present two statements on the government deficit. One will ahow the cos to the taxpayer. The other will show how government economic policies are working and how much lower the deficit would be wilhout the burden of energy projects inlroduced hy the previous government

Beer oud alcohol, normally a favourite target for finance ministers needing to raise extra revenue may escape ony tax increase. The hig hrewery chains hope they have per-suaded Mr Douglas it makes tion, horse breeding and various agricultural schemes.

In anticlpation of the introduction of the goods and services tax in October there could be abuse thou to impose higher taxes on heer.

maining sales taxes, which are oll due to he abolished in October. There will also be some restructuring of the government debt programma to

Much of the hudget will however be a justification hy Mr Douglas of his and the Govern-ment's economic theories and policles. It is reported Mr

### Car bomb kills 24 in **Moslem sector of Beirut**

A CAR homb in a crowded area of Moslem west Beirut vester-day killed about 24 people and wounded 160, Reuter reports

wounded 160, kenter reports inght that any US-Syrian confrom Beirut.

The explosion in the Barbir orea near the "green line" priest Lawrence Jenco.

divide came 24 hours after a similar blast in Christian east on the report. Beirut killed at least 30 people.

Six of the wounded in the west Beirut hlast were doctors with clinics in the area.

The director of the US hostoges in Lebanon. Four Central Intelligence Agency, William Casey, visited Syria he held. secretly this month to discuss

the release of American host-ages from Lehonon, two US newspapers reported yesterday. The San Francisco Examiner said it learned from an un-identified intelligence source that Mr Casey discussed the hostoge release with Syrian President Hafez al-Assad.

But Mr Farouq al-Shara, Syrian Foreign Minister, denied on American television last night that any US-Syrian con-tact preceded the release on

The Post said Mr Casey olso The Post said Mr Casey olso discussed Syrian-Israeli tensions with Mr Assad.
The Examiner said Mr Vernon Walters, the US ambassador to the United Nations, also visited Syria several times and was helieved to have had a hand in Mr Jenco's release,

### **Sudan Prime Minister** to meet rebel leader

BY MARY ANN FITZGERALD IN ADDIS ABABA

Prime Minister, is to meet Col H. ference scheduled for later in the John Garang, leader of the Sudanese Peoples Liberation Army The SPLA is drawn from the non-(SPLA) that has been waging a three-year war against the Govern-ment, the clandestine SPLA radio said yesterday.

An official spokesman for Mr Mahdi, who is attending the Orga-nisation of African Unity heads of state summit in the Ethiopian capi-tal of Addis Ababa, confirmed the talks would take place either today or tomorrow.

The meeting will be the first to take place between en official representative of the Sudan's threemonth-old civilian Government and

the rebel group.

Earlier this month, Mr Mahdi said that he had gone to great lengths to promote reconciliation with the rebel group from southern Sudan, but that Col Garang had refused to commit himself to attend-

MR SADIO EL MAHDI, Sudan's ing a Sudanese constitutional con-

Moslem southerners who have tradibonally been dominated by the Moslem northeroers of Arab origin They are calling for the repeal of Sharia law and greater economic and political participation in the administration.

Fighting around the southern capital of Juba bas escalated over the past two weeks. The airport was closed on July 16 as rebels surrounded the town. It was reopened eight days later when the military drove the SPLA back.

The SPLA is trained, armed and backed by the Marxist Ethiopian Government. Diplomats, who say that Col Garang is kept a virtual hostage in Ethiopia, would be un-likely to talk to Sudanese Government officials without Ethiopian

### Egypt increases petrol prices by up to 25%

EGYPT raised the price of petrol for petrol prices by up to 33 per cent. domestic consumers by up to 25 per cent, yesterday, one week after it cut prices for crude oil exports, filling station operators said, Reuter reports from Cairo.

Consumers were unaware of the price increase until told by opera-tors at the pumps. Handwritten no-bces posted at some petrol stations said prices went up at midnight by order of the Ministry of Petroleum. Ministry officials declined to com-

The price of low-grade petrol rose 25 per cent to 25 piasters (18 cents) a litre and premium grade by 20 per cent to 30 piasters (22 cents) a litre. last year, the Government raised The Government generally tries to avoid publicity for domestic price of bloody 1977 riots that forced the late President Anwar Sadat to reverse cuts in government subsidies

on consumer staple products.
Egypt, hard hit by a slump in world oil prices, last week slashed prices for its crude in July by about \$4 a barrel, or 36 per cent, in a hid to maintain exports.
Oil sources said these had fallen

100,000 barrels per day (b/d) from 300,000 b/d in the first quarter of the year.

Officials have said Egypt stands to lose more than \$1.2bn in oil reve-

nue this year.

Pretoria struggles to bring order to black schools

Bernard Simon reports on the upheavals in South African education

CONTINUING upbeavals at many black schools in South Africa bave heightened concarn among the authorities and black communities at the dismal state of the segregated black education system.

In spite of claims that 80 per cent of the country's 1.7m black pupila have returned to school in the paat fortnight from the mid-year break, the Department of Education and Training (DET), which administers black education, has admitted that the situation at some schools is chaotic.

after no pupils registered for the new term. Further attempts to open the scbools would not be made until early next year.

Security forces hava been called in to a number of schools in Soweto and the East Rand, where the authorities allege that outsidera bave intimidated pupils and parent committees.

According to one newspaper report, youths have turned one soweto high school into a Shebeen (liquor outlet) and teachers have been threatened by armed pupils.

Three Johannesburg news-

hlack schools.

Black education groups bave acrused the authorities of formulating disciplinary rules without consulting them. They are especially angry at an identification system aimed at ensuring that only bona fide pupils enter school grounds, but which critics bave compared to the hated pass laws, abolished earlier this mouth.

DET has also threatened not

education, bas admitted that situation at some schools is schools is school at some schools is schools is chaotic.

DET said yesterday that classes bave been "discontinued" at several schools in the Grahamstown and Uitenbage areas of the Eastern Cape

Soweto high school into a Shebeen (liquor outlet) and teachers have been threatened by armed pupils.

Three Johannesburg newspapers devoted their editorial columns yesterday to the plight of the country's 7,000

Total at some schools is Soweto high school into a Shebeen (liquor outlet) and teachers have been threatened by armed pupils.

Critics charge, however, that the Government's beavy-handed to closses by last Friday to tactics bave undermined its resume thoir schooling before the columns yesterday to the plight

by two weeks earlier this mouth to give DET time to implement security and disciplinary measures.

the task of restoring stability to the schools is further complicated by the fact that many leaders of the National Education Crisis Committee (NECC), a hlack com-munity group, have either been detained or have gone into

the nector of the gone into hiding

The NECC has asked for a meeting with Mr Sam de Beer, the deputy minister of education and development sid. Mr de Beer has agreed to meet the committee, but only on con-

confined to education matters.

Black education has bowever,
hecome inextricably linked in weeks earlier this mouth the come inextricably linked in the past decade to wider political issues. The inferior system of black schooling, comtask of restoring pared to that for whites, is among blacks' most hitter mplicated by the fact grievances against the present any leaders of the government.

government.
Schools have become a convenient meeting and organising place for much of the political activity in black townships. Some schools bave been informally renamed in honour of hlack political leaders, like Mr. Nolson, Mandela, and a new Nelson Mandela, and a new form of politically-coloured "people's education" has begun to take root in some townships.

# UK-linked groups 'employ 7.5% of S African workers'

BY CHARLES LEADBEATER, LABOUR STAFF

By contrast US linked corporations employ around 110,000, whilst companies with West German links employ 65,000, says the report published by the UK Labour Research Department, an independent trade union funded research group.

The atudy of 281 UK companies with investments in South Africa, shows that as of June last year when the companies last had to report their activities, 58 of them paid some

BRITISH linked companies employ 370,000 people in South Africa. British investments account for over 40 per tent of foreign investment companies to a report on British investment in South Africa about 7.5 per cent of foreign investment companies to a report on British investment in South Africa published yesterday.

By contrast US linked corporations employ around 110,000. Whilst companies with West German links employ 65,000.

British investments in the last year, improvements in the last year, improvements in the last year, and improvement in the last year, and improvemen

A apecial meeting of the steering committee of the Commonwealth Trade Union German links employ 65,000. says the report published by the UK Labour Research Department, an independent trade union funded research group.

The report says this matches the role that British companies play in foreign investment in

**Supreme Court** deals blow to emergency law

South Africa's Supreme Court has dealt annther blow in the national state of emergency by quashing the Government's right to delegate powers to local police chiefs, Reuter reports from Johannesburg.

The court decided that Law and Order Minister Louis le Grange could delegate power to the Commissioner of Police Johan Coetzee hut the emergency regulations did not entitle the commissioner to delegate powers to a third



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**S.** Apple The power to succeed.

# Brazil seeks to limit debt service to 2.5% of GDP

For 1988, the Brazilians want to contoin their debt servicing bill to 2 per cent of GDP, which this year should total some \$240bn (£162bn).

The new targats were divulged by Mr Dilson Funaco, the Finance Minister, in the wake of the Government's fiscal wake of the Government's uscal and development peckages, presented last week. If achieved, they would make e further Cz 70bn (£3.4bn) available to the Government to finance and the Government to finance and the financing costs of the financing costs of the financing debt this the Government to finance an ambitious programme of development schemes.

BRAZIL has given wife that negotiate in the international lt will seek to restrict its payments of foreign debt to 2.5 per cent of the country's gross 2.5 per cent of GDP falling due domestic product (GDP) next year in order to meet a national growth target of 7 per cent.

The planned limitation on servicing payments was being

The financing costs of Brazil's \$104bn foreign debt this

Economists in Brazil do not believe the Minister's stetement indicates a unilateral threat to impose e rigid ceiling—like that sought by Peru last year—on debt servicing liabilities.

"The Minister wants to Brazil's \$104bn foreign debt this year are estimoted at some 4.6 84 year are estimoted at some 4.6 So or of debt service depends on finctuations in the London interbank Offered Rate (Libor). just year are estimoted at some 4.6 So or of debt service depends on finctuations in the London interbank Offered Rate (Libor).

peaceful, bonourable solution to

Meanwhile Nicaragua has

taken neighbouring Honduras

Conrt seeking a ban on anti-

Sandinista rebel activity

launched from their territory.

The Sandinistas accuse the

assisting Contra rebel attacks.

their differences.

in Libor knocks ebout \$1bn off Brazil's debt bill. The ambitious objectives of the Government's three-year targets announced last week were originally costed et some Cz 515bn in new money, to be beld by e new National Development.

next year, will be covered with new money or refinancing."

The planned limitation on servicing payments was being interpreted in Brazil as the first signal of its negotioting stance in talks due to start in the Autumn on a multi-year rescheduling. Last week, foreign banks began signing a new accord on the rescheduling of \$31bn in debt service payments, incorporating a restructuring of 1985 liabilities and a roll-over 1985 liabilities and a roll-over over the period. Public re-of those for 1986.

Exactly half of this sum was more positive than was first expected, bowever.

Opinion polls published at the weekend showed that some per cent supported the Government's strategy, though in the key industrial region of Sao Paulo support dropped to just under 50 per cent of those

### Ortega calls on UN to back World Court ruling

BY OUR UNITED NATIONS CORRESPONDENT

PRESIDENT Daniel Ortega of the Council to censure the US. Micaragua appealed to the UN Security Council yesterday to endorse last month's ruling by the World Court that the US come to the Council to cast violated international law by seeking the downfall of his government through its approximation. government through its support respect for international law." for the anti-Sandinista insur-There was an opportunity

At the end of a three day for Washington to reconsider effort in New York to muster its policies and bring ints consupport for his cause through duct in line with the principles the media as well as religious of international law, he said. groups. Mr Ortega warned the It was not too late to find a wUN that failure to abide by the court verdict would open the way to military escalation and a possible generalised conflict in Central America.

He sald international law itself was threatened and the Security Council had a primary duty to defend it. The US has rejected the June 27 court Honduran military of participatruling which Mr Ortega de- ing in armed attacks against scribed as "virtually unani- Nicaraguan territory, as well as

The Nicaraguan leader condemned the recent congressional decision to provide the
Contras with \$100m in mostly
military aid, but he did not ask

assisting Contra rebel attacks. The lack of control over had ing since then has raised international concerns that fish stocks are being rapidly destroyed in the region. Britain wishes to see a multilateral fishing agreement reached,

### Argentina and **Soviet Union** in fishing pact

By Tim Coone in Buenos Aires ARGENTINA and the Soviet Union have signed an outline fishing agreement regulating the Soviet catch in the south west Atlantic. It includes the waters around the Falkland

Further details are expected to emerge later in the week but the agreement permits a fixed number of Soviet trawlers to fish anywhere within Argen-tina's 200 mile exclusive economic zone south of the 46th economic zone south of the 46th parallel. In return the Soviet fleet will purchase up to 30 per cent of its total take home catch from Argentinian trawiers and will include up to 10 per cent of Argentinians in its crews. and Costa Rica to teb World The agreement also marks an important diplomatic advance for Argentina as it takes in the fisheries around the Falkland Islands, from which all Argentinian trawlers and ships have been excluded since the 1982 war with Britain for the islands The lack of control over fish-

# Pressure mounts in Senate on sanctions

THE US Senate Foreign Rela- action

THE US Senate Foreign Relations Committee yesterday took up o package of new US economic sanctions against South Africa, designed primarily to put pressure on the country'e white government without doing too much damage to the black majority.

The measures, introduced by Sen Richard Lugar of Indiana, the committee's Republican chairman, go much further than the limited naw steps currently being considered by President Ronald Reagan. They reflect mounting congressional dismay at the Administration's unated willingness to take tough

Liberal Democrats are seeking to ettach a version of the House bill as an amendment to legislation raising the national debt limit, currently on the Senate Withdraw US landing rights

has enough available gold to affect the world price. Block US bank accounts of Government and state-controlled company employees and freeze the US investments of such

 Prohibit any new investment in South Africa by US com-panies that do not adopt the so-called Sullivan principles aimed at giving equal treatment and wages to black employees. To this might possibly be added a total ban on new investment. Provide for penalties against companies that take competitive advantage of the sanctions et the expense of US corporations.

Robert Graham explains President Garcia's balancing act on international debt

# Peru puts its creditors' patience to the test

PRESIDENT ALAN GARCIA
has got away with his highly
individual approach to servicing Peru's \$14bn (£9.45bn)
foreign debt for a year now.
The amount allowed for the
servicing of all public sector
medium and long term debt
has been limited unilaterally to
the equivalent of 10 per cent of
the country's exports.
On Monday, celebrating his
first anniversary in office, the
37-year-old president, Latin

37-year-old president, Latin America's youngest leader, declared that this policy would be extended for another year. At the same time, he said the same rule would apply to nearly \$2bn of private sector debt and that profits and royalties of foreign companies would be subjected to unspecified

curbs lasting two years.
While this is bound to test further the patience of Peru's international creditors, it has scarcely come as a surprise, Peru's terms of trade have Peru's terms of trade have deteriorated sharply this year as a result of the fall in the price of oil and stagnant prices for minerals like copper, lead and zinc. With oil and mineral sales accounting for 80 per cent of exports, the 1985 trade halance of \$1bn could be halved.

when be took office, Mr Garcia pointed out that on paper. Peru had to repay \$3.7bn in 1985 on projected export earnings of \$3bn. This year, adding on debt arrears, the theoretical debt service is closer to \$4bn, yet export earnings will be no more than \$2.5bn.

The international financial community has been antago-nised by the loud and arrogant way: President Garcia made his \$450m of arrears. To this can stand. In practice, he was be added service in cash and merely formalising the slippage goods of over \$1.2bn of debt to



during the latter stages of tha Belaunde administration. Indeed, his private message has since been toned down since been toned down to a basic: "We will pay what we can."

Peru has thus attempted to remain on speaking terms with institutions like the International Monetary Fund, the World Bank and the Inter-American Development Bank, and has also kept np short-term credit payments for essential

In the past 12 months, the government has repaid some \$330m in medium and long term debt, a marginally better record In April, President Garcia managed to avoid a showdown with the IMF by paying \$34m on arrears of \$134m, and commercial banks received \$17.7m, their first payment under the present administration on \$450m of arrears. To this can be added service in cash and

The main interest now focuses on bow President Garcia intends to tackle the IMF. He has been given until August 15 to clear up overdue interest payments to the fund or risk Peru becoming the first Latin American country to be declared ineligible for further

The April part payment of arrears suggested then that Peru was anxious not to burn its bridges with the fund, since this would quickly affect its than the Belsunde administra-

With foreign reserves at \$1,3bn, Peru can pay the fund. But the public posture of Presi-dent Garcia, casting the IMF as a villian over Latin American debt, makes it unlikely that full settlement of outstanding arrears will be offered immediately.

While being capable of prag-matism, President Garcia is prone to impulsive gestures. Last August, without warning, he rescinded the operating con-tracts of three foreign oil com-patient one Balon, has given panies—one. Beloc. has since been nationalised, and no com-pensation has been paid for its book assets of \$400m.

This incident frightened foreign investors and has done long-term damage to the pros-pects of the Pernyian oil indus-try, vital for future foreign inge earnings.

In limiting foreign debt ser-vice, President Garcia has sought to build up reserves and use the funds due for debt service, to finance investment and raise basic wages. This boost to domestic demand has been backed up by a frozen exchange rate, higher import substitution and a price freeze.

The policy has been successful to the extent that industrial ful to the extent that industrial capacity is better utilised, the recession has been turned into growth of 3.5 per cent and inflation bas come down from over 200 per cent to 70 per cent. However, the government seems undecided on how to continue, especially now that this year's export performance is going to be so disappointing. The budget deficit has grown and could be close to 11 per cent of gross domestic product

this year, Reserves are being used up to pay for imports even without worrying about debt service, and politically it will be hard to start applying the brakes to domestic demand. Inflation is edging up again

the ever present effects of the parallel economy nurtured by drug money. Furthermore, the fixed exchange rate policy cannot be retained indefinitely.

President Garcia's own posi-tion remains exceptionally strong. Opinion polls show that he commands overwhelming popular support.

He is recognised as having provided much needed leadership and integrity after the drift and corruption of the previous administration. He has not flinched from taking difficult decisions, such as cracking down on corruption, sacking incompetent military and police offi-cials and waging a war on the drug barons (coca paste suffi-cient to produce 18 tonnes of cocaine have been seized). Even his opponents concede that be has stopped the country's slide towards anarchy.

He has managed to shake off the potential damage of the June 18-19 riots in three Lima jails which resulted in 250 prisoners dead, at least 100 of whom were killed by the security forces.

But the jail killings under-line that President Garcia bas still failed to make inroads in his campaign to suppress the fanatical maoist guerrilla group, Sendero Luminoso (Shining Path). Since February, Lima has been under military control with a state of emergency suspending key constitutional rights. But Sendero continues to be active in bombings, assassinations and robberies, and is now probably beyond 6 assassinations and roble per cent a month, with a good and has sapped some deal of concealed inflation government's confidence. and has sapped some of the

Fibre talks

stalled on

two key

issues

### WORLD TRADE NEWS

# Lisbon relaxes rules on foreign investment

BY DIANA SMITH IN LISBON

PORTUGAL HAS issued a long-awaited foreign investment code to repisce the bureau-cratic system of prior authorisa-tion with a simpler mechanism.

The new coda is part of the The new coda is part of the country's adaptation to EEC principles. Portugal bas seven yeers before it must grant full freedom of establishment and

This year, EEC investments of less than Ecu 1.5m (\$1.3m) will fe automatically approved, will fe automatically approved, and this figure will increase by 20 per cent a yeer until 1993 investment in Portugal. Deals when full freedoms will be applied to capital of EEC origin whatever the amoont.

movement for EEC capital.

and mey go ahead.

Repatriation of profits, dividends and the proceeds of sale of investment are free once local taxes bave been paid, and harmful to public bealth or nublic research. they are authorised by the Bank public safety.

By Tim Dickson in Brussels and Robert Gibbens in Montreal

The foreign investment code, which has been promised since November 1985, puts an end to nine years of often oppressive red type that led to difficulties

the applicant mey assume that investment in the country. the request bas been approved The only areas now off limits

# Brazilians hurry to sieze EEC advantage

BY OUR LISBON STAFF

trary has been heard within 30

From now on, an epplicant may send a request for investment to the Foreign Investment Institute. If the institute does not refuse within 60 days, to foreign capital are the arms

bave quickly realised the edvantages Portugal offers them as e new EEC member. They are rushing to set up joint ventures with Portuguese manufacturers to finisb goods in Portugal, and more than 100 proposals for joint ventures are now being negotiated.

The main areas include tropical juices, cosmetics, domestic eppliances and deta processing. In the clothing sector, Brazilian producers will join forces with manufacturers in northero Portuguese textile and clothing industries have mushroomed, while Portuguese textiles and clothing ing bave established a highly competitive name for themselves in the EEC and US.

Portugal and Brazil bave for decades officially promised to increase trade and industrial relations but business response has bean sluggisb.

A further opportunity for Brazilian penetration of Europe via Portugal is being offered by the new free industrial zone in the Azores. In recent years, Brazilian BRAZILIAN BUSINESSMEN

## sought on beef export dispute

THE European Community has asked the Geneva-based General Agreement on Tariffs and Trade to sort out a dispute over Irish and Danish beef exports to Canada.

The initiative follows a ruling last week by Canada's imports tribunal that the exports were likely to harm the country's interests, notably ports were likely to harm the country's interests, notably those of the depressed western provinces. As a result, stiff duties on community beef shipments have been imposed, in effect halting the 11,000 tonne per year annual trade. The countervailing duty has been set at 81 cents on Irish beef and 69 cents on Danish, compared with a wholesale price for the meat of only C\$1.22 a pound.

At issue is Canada's claim

price for the meat of only C\$1.22 a pound.
At issue is Canada's claim that EEC subsidies on the meat are eausing the damage—an allegation which is rejected in Brussels. Community officials are also disputing whether the Cattlemen's Association, which brought the complaint in the first place, fully represents the producers in accordance with Gatt rules.

Australian and New Zealand exporters support the Canadian position because they have lost most of their Canadian market share to Europe since 1989. European exports to Canada increased substantially between 1980 and 1984 (when they reached 40,000) but have declined since.

since.
The EEC complaint is being made to the Gatt committee on subsidies and countervailing duties. At this stage a consultation procedure is under way but a panel procedure may be started later.

Canada and US in wheat export talks

US moves to extend subsi-dised wheat exports to the Soviet Union and China and US trade protection were topics raised when Canadian and US negotiators started a second cound of exploratory talks yesterday, Robert Glb-bens reports from Montreol. Tha talks focus on specific problem areas following exploratory sessions in May in Ottowa

# France bends on Gatt farm issue

FRANCE HAS softened its officials in Geneva drafting the officials in Geneva drafting the declaration with which trade ministers should launch international trade negotiations have still not resolved their differences over bow trade in farm products is to be handled in the talks.

With time fast running out before the July 31 deadline there is now a possibility that the ministers will be presented with two conflicting drafts or with a text beavy with at ext beavy with at ext beavy with alternatives when they meet at Punta

del Este, Uruguay, on September 15.

The effort spent on agriculture for farm export subsidies in that of the other declaration. The EEC position declaration. The EEC position declaration. The EEC and Japan, continue to be the early hours yesterday the many products is to be handled in the talks.

With time fast running out the ministers will be presented with two conflicting drafts or with a text beavy with alternative when they meet at Punta

del Este, Uruguay, on September 15.

The effort spent on agriculture for declaration. The EEC position declaration. The EEC position declaration. The EEC position declaration accept any reference to farm export subsidies in that the service subsidies in that the early hours yesterday the

### has been set np to draft a protocol for the extension of the Multi-Fibre Arrangement, which expires at midnight on Thursday.

Thursday.
The group, to be chaired by
Mr M. G. Mathur, deputy
director general of the Ganeral
Agrement on Tariffs and Trade,
includes the EEC, the US and
half a dozen of tha leading producer countries such as Hong
Kong and South Korea.

By Anthony Moreton in Geneva

A SMALL group of countries

Two key issues now divide the low cost producers and tha western importers: bow to combat sudden surges in imports; and what to do about new fibres. Discussions on the present extensions have been thrown a into some disarray by the US'a insistence on including all fibres within the MFA for the first

This was originally thought to mean the inclusion of ramie, a linen-like fibre, tha linen itself and silk, but it is now clear that the US wants to include jute, sisal and all other vegetable fibres within the MFA both for use in apparel and household textiles.

This proposal has brought Although the bill is described as a reaction to the Common Agricultural Policy, its rice provisions were aimed mainly at Thailand which is now the world's largest rice exporter.

This has caused resentment in Thailand because of the \$1,000m being spent annually to subsidise US rice farmers and to lower US export prices. Thailand strongly denies that it subsidises its 30m farmers.

### Turkish airline orders Airbus

TURKEYS national airline
Turk Hava Yollari (THY) has
ordered three A310-300 widebodied passenger aircraft for
delivery early in 1988, Reuters
reports from Paris.
The order is believed to be a
worth about \$150m.

# that where they could boycott the talks. The 12 were careful not to mention the word "boycott," the priority but the implication of last week's message is the threat of a boycott, The new round of start in September at the ministerial meeting of last week's message is the threat of a boycott, The new round is a week's message is the week's message is the week's message Hungary leases more western machinery

Thailand meeting in veiled boycott threat

TWELVE countries from five the US claimed it has lost as a continents meeting in Thailand result of EEC export subsidies. As a clear warning to the leading industrial notions tectionist barriers in Japan, and round.

They also complain about protectionist barriers in Japan, and round.

They also complain about protectionist barriers in Japan, and round.

HUNGARY is stepping up the leasing of western industrial machinery and equipment in the face of a severe hard currency shortage, Leslie Collit writes from Berlin.

In the five-year plan ending 1990, western machines and equipment worth \$500m in all 1990, western machines and equipment worth \$500m in consist of import permits which promote leasing. Machinery has are related to the level of hard currency receipts, The permits with the help of the leased to Bungarian companies because as well as saving hard currency.

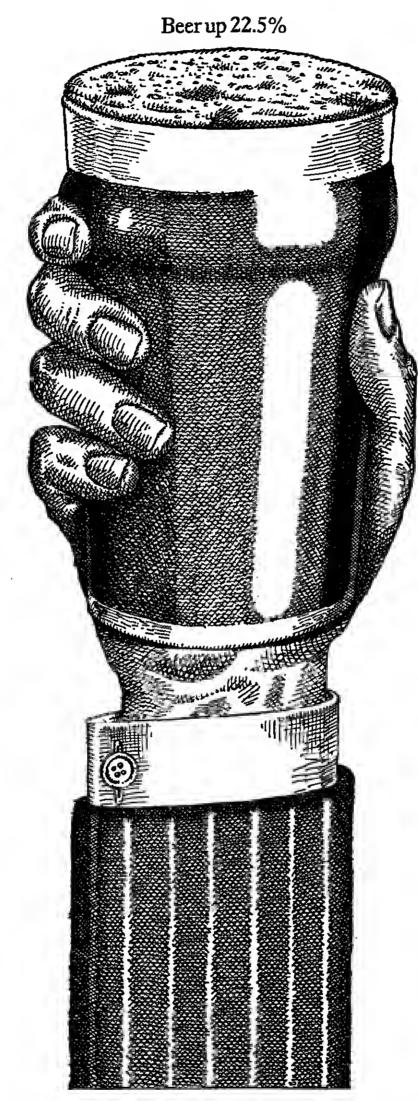
HUNGARY is stepping up the pleased through complete through complete through companies because as will be granted through complete through complete

18

Thre talk

talled @







# Obviously our shareholders have been celebrating.

And who could blame them?

As you can see from the figures above all three divisions of Allied-Lyons made record pre-tax profits.

Overall pre-tax profits increased by 23% to £269.5 million.

Earnings per share from operations rose by 31%. And dividends were up 27%.

Ample cause for a knees-up in anyone's book. Especially as the value of Allied-Lyons shares has already quadrupled since 1981.

That's way ahead of inflation, the FT. Ordinary Share Index and the FT. Brewers and Distillers Index. Heady stuff by any standards. Alied-Lyons

BY LUCY KELLAWAY

THE NATIONAL Coal Board (NCB) bas abandoned its target of breaking even this financial year, and hopes to emerge in profit by 1988, Sir Ian MacGregor, chairman said yesterday.

Speaking at a press conference for the publication of the 1985/86 accounts, Sir lan said that recent financial progress would "be difficult to continue." In the year to March 1986, the NCB made a loss of £50m. its best performance for seven

He said that since year-end the twin effects of the fall in the oil price and intensifying competition from imported coal were putting pressure oo the NCB to sell its coal at increasingly competitive prices. Such pressure was reflected in the five-year deal signed last month with the Central Electricity Gen-

the board between £200m and £300m s year, which it hopes to re- strike made in the previous year's coup over the next 18 months accounts. through further reductions in operating costs.

However, he indicated that the NCB's revised budget could be thrown off course again if oil prices fell sharply from the present level of about \$10a barrel. This could lead to the renegotiation of the CEGB

The industry achieved large cost savings in 1985-86 mainly by cutting the workforce from 220,000 to 180,000. Since 1983 it has reduced costs by £1.25bn. As a result, last year the NCB made an operating profit of £535m, the first surplus

However, the reported figure has erating Board (CEGB) under which been enhanced by an accounting the cost of coal to power stations is adjustment of £342m, which has

reduced by about £3 a tonne. Sir been added to last year's result and lan said that this deal would cost relates to an over-generous provision for the costs of the miners'

Mr Arthur Scargill, president of the National Union of Mineworkers, yesterday said that Sir Ian had "cooked the books"

Sir Ian, who retires as chairman next month, said that despite the intense competition within the industry, be was handing over "with some optimism" to his successor, Sir Robert Haslam. "When I joined the industry in

1983, we were mining coal from many bopeless pits with very high costs, and unsold coal was piling up at the pitheads. Our stocks are now reduced to the lowest level for 11 years and we are achieving significant reductions in costs of produc-

tion. Editorial comment, Page 12

## Komatsu names nine European suppliers for assembly plant

KOMATSU, the Japanese construction equipment maker, has named nine suppliers which will provide components for the wheel loaders and excavetors the company will begin assembling next year st its plant st Birtley, near Newcastle, in north-east England.

The cootracts are worth £6.5m a year in total, split between seven UK companies and one company each in West Germany and Italy. A number of other suppliers are likely to be announced within the next

Components sourced from within the EEC will include seats from the UK subsidiary of the West German company Isringhausen, metal tracks from Intertrack of West Germany, wheels from Steel Stamping and undercarriage parts – the roller assemblies on which the tracks run

- from Italiractor in Italy Komatsu repeated yesterday that it intended reaching a 60 per cent local content at the start of commercial production, rising to 70 per cent in two years and 80 per cent within five years. The Federation of Manufacturers

Construction Equipment and Cranes opposed the granting of Komatsu also announced that a to 13 per cent and for wheel loaders erament tax policy made by Mr 52.4m of Government assistance to number of EEC companies would from 4 to as much as 20 per cent. Kay and the IFS

Komatsu'a £12.5m production project in Tyne and Wear

European construction equipment makers have been sceptical that Komatsu, the world's second biggest producer of construction equipment after Caterpillar of the US, will adhere to local content ar-

Komatsu is still in discussions with the Department of Industry about the value of local cootent and clearly intends to use as broad a de-finition as possible. Engines, much of the electrics and many of the principal forged components for the 2,400 mid-weight excavators and wheel loaders the company expects to be assembling annually by 1988 will be sourced from Japan.

Other suppliers announced by Komatsu yesterday include BP for lubricant and hydraulic oils, McPherson Industrial Coatings for peint, Aeroquip UK and Winster Hose for bydraulic hoses, and Roballo Engineering, which will make the slew ring bearings on which the excavator turns above its chassis. Nabonal Standard will also supply welding wire used in the construct-

ioo process.

Komatsu also announced that a

begin supplying the company's plants in Japan. Potential exports from EEC companies to Komatsu's domestic manufacturing operations totalled £15m to £20m, the company

> So far National Standard has been accepted as a supplier of wire ing from the EEC is likely to also include wheels, slew ring bearings, hydraulic boses and cab heaters.

The Birtley plant, which is expected to employ 270 by next year and more lster, producing a yearly turnover of £100m, will manufacture the track and rotating frames for the excavators and the chassis frame for the wheel loaders. The company has not ruled out the assembly of other products in its range at a later date.

Komatsu says 80 per cent of Birt-ley's output will be exported. Neverless the construction equipment industry believes that the company, which decided to set up in the UK after its excavators were subjected to 26.6 per cent EEC anti-dumping could raise its UK share market share of excavators from 8 to 13 per cent and for wheel loaders

# Closure threat to 2,500 at BAe

UP TO 2,500 jobs may be lost as a result of n decision by British Aerospace (BAe) to close the manufacturing and engineering side of its factory at Weybridge, 17 miles south-west of London, where parts are made for Air-

buses and military aircraft. BAe said there was a need for rationalisation and for cost cuts in order to increase the company's competitiveness in world markets. Weybridge had been underloaded for some time and was, therefore, a high-cost site. There was no other work that could economically be trans-

Anger over

Lawson veto

on City post

the Bank of England and the SIB.

dence and autonomy of the SIB,

despite Government assurance

that it is to operate a non-political

private sector body.

Earlier this month, Mr Michael

Howard, the corporate and consum-

er affairs minister at the Depart-

ment of Trade and Industry, approached the potential member, Mr

John Kay, who is the current direc-tor of the Institute for Fiscal Stud-

ies, an independent think-tank

which has been strongly critical of

Government tax policy. I was asked whether I would be interest-

ed in being a member of the SIB

and I said I would," Mr Kay said

esterday. Mr Howard won approval for the

appointment from the Bank of Eng-

land which has the right to veto any appointments to the SIB. The Bank

members as a safeguard against

politicisation. However, Mr Howard was then

overruled by Mr Paul Channon, the

Trade and Industry Secretary, fol-

lowing an intervention by Mr Law-

Mr Lawson has apparently been riled by the strident, and always

well-publicised, criticisms of the

flaws and inconsistencies in Gov-

was given an equal role with the gulating.

DTI in the appointment of board survey.

By Clive Wolman

tories, and the investment needed to modernise the factory could not be justified. Weybridge has been making parts of wings for the European Airbus, bus has mostly been involved on parts for Tornado and Hawk military aircraft. Båe will retain part of the site for its cor-

ferred into it from other BAe fac-

porate headquarters, and also as the headquarters of the military aircraft division, while some civil aircraft design and support work would also be retained. In all, about 700 personnel will stay at The Weybridge cuts will cut BAe's total manpower to 73,500. A total of 11,500 jobs have been axed in several stages since 1981, and as far back as last August. Sir Austin Pearce, chairman, was hinting that more cuts were nossible this year.

Trade union representatives were sceptical yesterday of BAe'o ability to find many alternative jobs locally for the surplus em-ployees. Manufacturing industry ployees. Manufacturing industry in the Weybridge area is limited, and it is feared that many of the alternative sources of employment BAe hopes to find do not

Some union officials were also critical of the way that BAc had allowed Weyhridge to run down in recent years, instead of pumping in new investment to keep it np to the standards of other BAc

Mr Chris Darke, national organiser for Tass, the manufacturing union, said that BAe had earned £150m before tax in 1985, 25 per cent up on 1984. "The board of BAe should invest this money in plants like Weybridge and not

consider it. I spoke on Monday to someone who wanted full details . . .

"I wasn't speaking to the doorman

Mr Joe Dreher, speaking from IMG's head office in Cleveland,

Ohio, disclosed that be was the per-son Mr Bland had spoken to, but

wanted to say very little else. Any

The Registry of Companies, in Britain, part of the Department of

Trade and Industry, confirmed yes-terday that there was indeed noth-

ing illegal about registering n com-pany in the name of a well known

person without their permission

decision was not his to take.

the aim of raising about £6m. Philip Bassett writes. The AEU's unusual move both marks the impact of Mr Bill Jordan, the union's new president, and is a further indication of the novel methods such as charity and sports sponsorship which unions are start-ing to adopt to try to improve the of-ten negative image of British trade

Union plan

to donate

famine aid

LEADERS of the Amalgamated En-

gineering Union are proposing a novel form of charitable aid by sug-

gesting that all engineering work-ers give an hour's pay for African

relief - and that employers in the industry match all donations with

pay for

The proposal is expected to be approved tomorrow by the executive of the Confederation of Shipboilding and Engineering Unions, and will then be put to the Engineering Employers' Federation.

□ A HIGH COURT judge overturned an Equity ban on its mem-bers performing in South Africa, which was imposed after a union secret ballot earlier this year. The judge found in favour of former union president Marine Goring. who argued that the ban was void because the actors' union rules did not authorise such instructions.

☐ OIL OUTPUT from the UK sector of the North See has reached its lowest point in three years, according to the Royal Bank of Scotland monthly index. The index, produced with BBC Radio Scotland, said that the value of Britain's daily production in June fell by £8m to just over £17m. This is less than a third of

D BRITISH AIRWAYS is to introduce a new one-stop service be-tween London and Sydney from October 29, with Bangkok the only stop en route Hitherto, all BA flights to and from Sydney have

D MOBIL OIL has reached a porc-

ductivity deal with its petrol tanker drivers providing for basic rate increases of 20 per cent which will push drivers' average earnings up to almost £17,700. Details of the Mobil deal come in the wake of a similar productivity agreement by BP Oil for its drivers, which in return for voluntary redundancies provides for a cut in hours and for basic pay increases of up to 35 per

## Accountant serves company deal to sport's richest woman

A LONDON chartered accountant AN INTERVENTION by the Chanyesterday lobbed a backhand shot cellor, Mr Nigel Lawson, to block the appointment of one member of at the richest woman in the world the nascent City regulatory body, the Securities and Investments Board (SIB), on political grounds has infuriated officials in Whitehall, of sport. Mr Stephen Bland has, somewhat audaciously, offered Martina Navratilova first shout to buy the whole of the issued share capital of Martina Navratilova Ltd. a private company incorporated Mr Lawson's intervention has earlier this month. raised doubts about the indepen-

Bar her name, the company has no links whatsoever with the termis superstar. A small ad in yesterday's Financial Times announced the sale of the company, which has never traded, and invited offers to Stephen Bland.

Mr Bland refused to divulge the

FEWER THAN a fifth of Londoo's

leading international securities and

investment bouses believe that the

Financial Services Bill will provide

a good, workable framework for re-golating the City, according to a

Deloitte Haskins and Sells, the ac-

countancy firm, found a wide range of criticisms of the bill, which is to

enable self-regulation of the UK's

financial services sector when it be-

They interviewed this month ton

comes law next year.

that when lodging the application to House, Mr Bland designated himself as director and he and his wife Daniela as the two obligatory shareholders. "It's a speculative venture. My client'a taking a gamble, trying to capitalise on Navratilova's name,"

Mr Bland admitted, while empha-

client'a concern for confidentiality

sising that it was all completely legal. There was no obligation to approach Miss Navratilova for permission. "If there was anything un-derhand we wouldn't have acted," On instructions from his client,

identity of his client or the amount of money the mystery owner hopes to net from the sale. Such is his ment Group (IMG), to alert them of ready being used.

a lack of understanding of overseas

markets", and was creating "chaos

Plan to control City criticised ceived," "poorly thought out and a ents said it would do only a fair or

> and uncertainty." Half of the businesses interto restrict their operations unduly, but a clear majority felt it would yield no particular benefits to themviewed said the bill would give excellent or good protection for private investors. But only 29 per cent selves (67 per cent) or to their felt it would do the same for business and their professional clients, while 51 per cent said professional

investors would receive only fair or poor protection. They interviewed this month top executives at 59 institutions, including 41 commercial and investment banks and 17 securities houses.

The survey quotes comments that the bill was 'badly-drafted, ill-con-

ridiculous hash," "overkill", "shows a lack of understanding of overseas gulatory framework, while 19 per markets", and was creating "chaos cent said it would do a good job and none said it was excellent. Two thirds did not expect the bill

> clients (80 per cent).
>
> Nearly half said the legislation could have a had effect on relationships with clients.

# ENGINEERING COMPUTED

Tel: Lichfield 0543 414751 Fax: 0543 250159

In 1981 it was decided only 2 complete rethink could sava the day for BUSM. Neville Burton, production manager (left) was called in by chairman Peter Tracy (right). Burton reoted out obsolete production methods and was responsible for the introduction of the company's flexible manufacturing sys-

### **TECHNOLOGY**

### Cheap way to put callers in the picture

By Louise Kehoe in San Francisco

"CHEAP and practical" is "CHEAP and practical" is not a description that applies to many new high technology products. But for Image Data Corporation of San Antonio, Texas, It is the key to a strategy of providing the advantages of videotelephone technology at a price and performance level of hroad annual.

Tha "Photophone," Image Data's first product, does not provide the live-action video provide the live-action video images of an elaborate satel-lite-linked videoconference system, but it is capable of transmitting crisp, black and white "snapshot" images over normal telephone 500 lines to control of only 500 500 or at a cost of only \$8,550, or \$300 per month rental. This compares with typical tele-conference installetion costs of \$250,000 per site and \$1,000 per hour transmission time

Videotelephoue users often do not need, or even want, to look at pictures of each other talking, according to Image Data marketing vice-president Gerard Cullen. Bot e lot of businesses can benefit from the capability of sending images by phone.

sharing an image of a medical X-ray or sending a picture of a product proto-type that needs to be modified, to transmitting charts and

About the size of a television set, with a nine-inch screen, the Photophone bas a camera arm attachment that can be directed toward the object to be displayed. Transmission time is approximately 5-20 seconds, during which voice conversation is temporarily interrupted.

Image Data is not alone in recognision the potential of video phones. At least six other US companies have, or are about to launch new videophone products. Prices vary widely, from as low as \$1,500, for a telephone with a three-inch screen and a tiny camera aimed at the phone user, to as moch as \$150,000 for a phone that is capable of displaying colour motion







# Big winner in a never-ending game of leapfrog

FIVE YEARS ago, British United Shoe Machinery (BUSM), a Leicester-based sup-plier of machine tools to the shoe sector, was oo its uppers. Employing outdeted methods and persisting in the production of equipment designed years before, it was fast losing its grip on the market. Today, it is once more a leading force, using new technology to pioneer systems that are fast becoming industry

The problems of old technology had begun to show them-selves in the 1970s as BUSM products hegan to fall behind those of its rivals. The company—part of Emhart group of the US—had been in the busicess since 1899, and for a time, as it slipped back into the second rank of machinery suppliers, customer loyalty carried husi-

oess along.
When it eventually became clear that buyers were looking elsewhere for machines most in porating the latest advances in in the West. Shoemakers in electronic capability, it was Europe and America responded

almost too late.

Shoe manufacturing is traditionally labour-intensive. The pattern is row upon row of with each machine geared to a specific task; cutting, stretching, pleating and stitching leather, shaping soles, fixing the uppers to the soles with glue eod nails. BUSM reflected this approach. By the 1960s, the machinea it produced had reached a level of

prevailing, and in the 1970s the company advanced its technology only grudgingly.

Burton, was appointed by chairman Peter Tracy in 1981, with a mandate to root out existing

The manufacturing processes it used in building its shoemaking equipment were reliable but veoerable, owing little to modern technology. Each machioe performed ooe task; others io sequence took up that theme, and the eod result was as many of ona product as could be produced—with much of the be produced—with much of the units made going straight into stock. Hundreds of a particular modei—perhaps once a best-seller—were turned out, not because the market wanted them but because the engineering floor was geared up to a particular pattern. There was little flexibility.

In the meantime, Taiwan, South Korea and Brazil, among others, were fast taking over the mass market for ahoes, and their cheap labour meant that they could operate machinery at a cost far helow that svailable in the West. Shoemakers in Imost too late. in two stages. First, they cut
The root of the problem lay production and closed factories the classic, first response, seen also in shipbuilding at that time. Then, they began to fight back, de a landing new tachniques and equipment that could restore their competitiveness. Developing countries responded

back into the lead and starting a new round. a new round.

BUSM realised that only a specialised sewing machines complete re-think would suffice were produced 30 at a time in sophistication, based largely on if it was to keep pace with this order to justify the start-up costs mechanical engineering, that almost continuous revolution. A of an assembly run, now e promet customer requirements then new production manager, Neville duction cluster makes just two

in turn by seeking the same oew

a mandate to root out existing machinery and install new generation equiproot, computer-cootrolled for maximum efficiency and repidity of

Oo the shopfloor, banks of traditional equipment stretching into the middle distance were replaced by clusters of machines geared towards the completion



unit, ready for sale, could be put together in a limited apace, with the efficiency of the operamechinery — thus leapfrogging tion being centred on the "hatch of one.'

The fact that "bits" of a machine, once engineered, no longer had to be transported around the factory was a major saving in itself, releasing valuable ground area for productive purposes and allowing a finished product to be assembled more or less on one spot.

BUSM's new system is computer-controlled, with infor-mation on tasks performed being passed on automatically to the manufacturing, market-ing, accounts, wages and despatch departments. This has maant that everyone, from top management to foremen and machine operator, knows what is being done and what the potential for a given day or week is.

Production can be related quickly to demand, and sales-men are encouraged to offer only what is possible. Delivery times are speeded up, they also tend to be met.

The system—known as flexible manufacturing (FMS)—has meant that set-up times for most procedures have virtually been eliminated, while lead-times and queuing are becoming things of the rast.

Bar-coding of all paperwork means that terminal operators have a minimum of keying to perform. The rapid flow of information achieved anables the central computers to establish operational priorities that smooth out production wrinkles

In terms of manpower, the effect has been considerable. There were 2,900 employees in 1975, when thiogs really started to go wroog for the company; today there are 1,450. There have been few complaints, however. Natural wastage has produced most of the job cuts, At the beginning of the 1980s,

Walter Ellis on how BUSM, British manufacturer of machine tools for the shoe industry, pulled itself up by its bootstraps and brought production into line with customer demand

85,000 different parts were stored in BUSM's warehouses. The figure this year is 55,000, and many of those are required for units made elsewhere within Emhart. Present inventories are computer-controlled, and parts are available on carousels that have greatly reduced time taken for assembly.

The machines that BUSM electronics specialists has had

the strangths of his materials, the tensions required in stitching and cutting and, of course, the size and shape of the intended shoe. For machines to carry out such functions means precision eosioeering allied to the kiod of "feel" that only modern electronics can simulate.

Even "ronghing" the underside of a shoe upper is a complex angineering affair. The roughness — required for glueing on the sole — has to reach only to the exact bottom edge of the leather, so that the exposed upper remains smooth and polished. BUSM machines can now do such things, and at speed. Templates that had previously to be inserted by tha operator every time there was a change in shoe size or was a change in snoe size or type have been abandoned. The process is now digitised with the new generation of machines being able instantly to judge

being able instantly to judge for themselves what kind of footwear has been presented.

Much of the electronic expertise employed at BUSM has been devoloped by the company itself, using CAD/CAM (computer aided designs/computer aided manufacturing) equipment installed in 1984 at a cost of more than fim. Designers and draughtsmen proved surprisingly adaptable, and only a small number of electronics specialists has had

a day on a continuing basis. If necessary, just one can be made without optimum efficiency being impaired, and a doubling of production is equally possible.

In terms of manpower, the effect has been considerable. There were 2,900 employees in 1975, when thiogs really started the strangths of his materials, and a continuing basis. If the decision the company has underspecific that no one outsida could meet them," Burton says, "and now we're stuck with our own material." He does not the strangths of his materials, prospect.

Total cost to BUSM of the various chenges made since 1981, excluding land and buildings and tha cost of machinery made for leasing, comes to around £8m, all of it raised out of capital growth. No bank funding was involved and no help was extended by Embard. heip was extended by Emhart. Last year, the turnaround was almost complete. Machinery sales were up to £20 2m—from a low-point of £16m in 1981—

and exports had surged ahead to £17.5m.

some 8bn pairs of shoes are made each year around the, world, 5bn of them with a significant machining content. Geographically, the major shoe powers, outside of the Communist blocs, are Taiwan (making 600m pairs annually), Brazil (500m), Italy (300m), the US (270m) and Britain (130m). The shift—with the receivable

US (270m) and Britain (130m).

The shift—with the nossible exception of Itely—has been away from the developed world towards Third World and developing countries, where labour costs have traditionally been low. Thus, for a Western country to compete in the mass market, it has continually to upgrade its plant. This is where BUSM scores. It makes its money either way—helping the developed world to catch up and at the same time assisting the West to stay ahead.

It is an envisible position.

It is an enviable position.

# FINANCIAL TIMES SURVEY

Wednesday July 30 1986

# Retailing

Buoyant consumer spending has helped spark off a regeneration of Britain's retail industry which has become one of the most dynamic sectors of the UK economy. The pace of change looks set to continue into the 1990s.

# Sharpening the image

BRITISH RETAILING looks set to continue as one of the most buoyant sectors of the UK economy in the late 1980s. Three years of steady growth in consumer spending have fuelled a regeneration in Britain's high streets, typified by greater marketing and design flair and a wave of takeovers and mergers as a new brand of entrepreneurial retailers.

By David Churchili burnerial by David Churchili of all tourist spending in the UK was spend in retail outlets. Retailers, moreover, invested some £2.7bn last year in retail equipment and are major customers of the consumer of takeovers and mechanical handling induserial retailers. entrepreneurial retailers replace some of the tired retail concepts of the past

tor.

store chiefs such as tha "three knights"—Sir Terence Conran, Sir Ralph Halpern, and Sir Philip Harris—have taken full advantaga of the changed retail conditions of the 1930s to create new retail empires. Their success has laid the foundation for others to maintain the pace of retail change well into tha 1930s.

The retail revolution is an description for retailing McNally, director general of tha Retail Consortium which repre-sents the bulk of Britain's retailers. "There are rapid and profound changes in what, how,

STORE SIZE AND LOCATION PLANNING

**GROWTH BY EXTERNAL INVESTMENT** 

BUDGETING

The shape of retailing in tha 1980s was determined largely by the onset of the economic recession from late 1979 onwards. The consequent slump in con-sumer spending forced retailers

sumer spending forced retailers to become more positive in wooing shoppers.

"It was alt too easy for retailers," recalls Mr John Richards, a senior retail analyst with stockbrokers Wood Mackenzie. "Opening a new store in a town where there had previously been no exposure was a guaranteed source of growth. The only required strategic management tool was a map of the UK with a plentiful supply the UK with a plentiful supply of those coloured pins to indi-

of those coloured pins to indi-cate store locations."

At the same time, many retailers had become "flahby" as a result of the high inflation rate which enabled them to pass on price rises to customers rather than try to absorb cost increases through higher pro-ductivity.

Against this changing economic background, it became clear that traditional retailing looked like becoming a mature market. More money was being spent on non-retail products such as boildays, cars, housing, entertainment, and private entertainment, and private Retailers' share of consumers'

disposable income dropped from 41.4 per cent in 1971 to 35.8 per cent in 1982. But the response from some retailers proved that pessimism about the sector's future was unfounded. Since 1982, retailers bave begun to claw back market share, rising to 36.9 per cent

share, rising to 38.9 per cent last year.

"At first sight this may not seem a substantial increase," points out Mr Richard Eassis from the Verdict market research group, "hut to experienced observers of the retail scene, tha simple fact that shop sales are gaining share is a staggering change of direction and one that many thought would never happen." retallers. "There are rapid and profound changes in what, how, where and when we sell—and all tha changes at present underway are likely to accelerate in the decade ahead."

Mr McNally also points out the central rola that retailing plays in the British economy. In employs some 2m people who work from a quarter of a million retail outlets.

British consumers spent a third of their disposabla income in shops last year while some 38 per cent — or £1.5bn—

of direction and one that many thought would never happen."

At the same time, many retailers had become "flabby" as a result of the high inflation rate which enabled them to pass on price rises to customers and one that many thought would never happen."

This "retail revolution" has been achieved in a number of adopted by leading retailers in recent years bas been to use design consultants to improve the look of stores, About three-quarters of all retailers of all retailers new store design within the any mental adjustment for inflation and were, in fact, congrature of a million and were, in fact, congrature than try to absorb cost design consultants to improve the look of stores, About three-quarters of all retailers new store design within the past two years—with about half undertaking this investment in gratulating themselves on stage.



Shape of stores of the future: John Lewis Partnership's new store for Kingston upon Thames as it will appear from the Surrey side of Kingston bridge

Retail Development Proposals 30-20-

The significance of this design-led approach was that consumers were, for the first time in many years, being actively wooed by retailers who were trying to make shopping a pleasure rathar than a chore. This marketing approach was reinforced by some retailers

adopting a new strategy of identifying special target groups and segmenting a store operation for such customers. As the recession hit the young As the recession out the young fashion buyer, for example, a new group emerged from the working women in the 25 to 45 age group who had increasing disposable income. Store chains

such as Next emerged to cater for these new markets. At the sama time, other retailers have identified the 25 to 45 family groups as having most purchasing power. Thus Marks and Spencer, Littlewoods, and Woolworths are all chasing such influential customers in the late 1980s.

Other marketing trends include the cross-selling of financial and other services, previously outside the scope of what people would normally buy from shops.
Underpinning this new mar-keting drive has been greater attention to enhanced produc-

tivity—a focus made all the more necessary by the low infla-tion rate of the mid 1980s.

Productivity improvements Productivity improvements have been helped by retailers belatedly grasping the benefits to come from the introduction of new technology both in the stockroom and at the point of sale. "The cost of retail computer technology has falleo by some 30 per cent in the past three years and this is fuelling what wa predict as an explosive growth in electronic point of growth in electronic point of sale for the rest of the decade." claims Mr Richard Snook from computer company, ICL. Laser-scanning checkoots are

Consumer trends

Contents

Location Rents Technology THE SECTORS: Department and variety stores Supermarkets Mail Order

close given the failure of Dixon's bid for Woolworth Hold-ings. But even if the largescale hids now prove less attractive to the City, there seems no shortage of possible acquisitioo targets among smaller retail chaios who are unable to find a successful trad-ing formula.

Eveo without any significant UK takeovers, the two most successful retailers of the 1980s —Marks & Spencer and J. Spinsbury—show no sign of letting their leadership slip. M & S especially has clearly grasped the growth problems it faced two years ago to set itself on course for significant exfaced two years ago to set itself on course for significant expansion over the next five years.

These two companies are also among the key contenders for a major development in the US in the near future. The US has been a tough market for UK retailers to penetrate, with several having had disastrous experiences attempting to break into the lucrative North American markets.

expected to become the norm in most large supermarkets by 1990 while by that time there may be the start of a nation-wide operation of electronic funds transfer at the point of sale—automatic debting of customers, bank accounts when

tomers' bank accounts when they pay at the checkout. Retalling's emergence as a

dynamic sector, however, has been reinforced by the acquisi-tion trail adopted by those retailers who feel they have

the marketing and management skills to capitalise on changing

trends.
This has seen a number of take-overs and mergers, fuelted by successful retailers seeking

prime retail sites to help meet growth targets. Long established

retailers which invested in property but have lost their entrepreneurial flair have, not

surprisingly, been prime take-over targets.

The shortage of prime sites in mainstream shopping areas, moreover, bas also eccouraged retailers to press ahead with

expanding in out-of-town shop-ping centres which also have the advantage over traditional high streets of providing ample

The spate of mega-mergers in

car parking space.

This lady won

American markets.

However both Sainsbury and

M & S have carefully built up
their knowledge of the US market and may make a substantial acquisition there in the next few years.

in the UK, a slight dampeoing on the UK, a sight dampeoing on the eupboric growth projections of some retailers was brought about by the surprise fallure of the Government's plans to liberalise the shop opening laws to pave the way for lawful Sunday trading.

The legislation's failure was not disastrous for retailers.

not disastrous for retailers, since only about a fifth of large stores were expected to trade on a Sunday if allowed by law. Many other retailers, such as doit-yourself chalus are, in any case continuing to flout the law

case, continuing to flout the law hy opening on a Sunday. But even no new government-backed legislation in this Par-llament is unlikely to depress retailing over the past year—
such as Asda's link with MFI
and the Habitat/Mothercare the spirits of a buoyant retail
merger with British Home industry for long as it steers
Stores—may be drawing to a towards the 1990s.

SIGN

TRADE MARKETING

COMMUNICATIONS

MANAGEMENT INFORMATION

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sellers are always out in front of customers? How can you organise distribution replenishment and inventory control to

achieve more attractive returns on stock investment? What are your corporate objectives for future growth and profitability? How do you get there?

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FINANCE ● ACQUISITION PLANNING ● EXECUTIVE DEVELOPMENT ● GROWTH BY INTERNAL INVESTMENT ● RESOURCE ALLOCATION ● JOINT VENTURE ● EXPANSION OF LINES OF TRADE ●

### Location

# **Ambience moves** out on current of change

UNTIL. NOW, when major retailers have gone out of town, it has been possible to perceive something defensive about it.

There will be no fashion something defensive about it.
Food retailers—the Asdas,
Sainsburys, Tescos and so on
needed ample car parking
to maximise customer purchases, and the edge or out-oftown location to achieve that
as well as to ease delivery from
supplies.

suppliers.
Furniture stores, and others like them, were being squeezed out of high street locations by the scale of the occupation costs involved; and even Marks costs involved; and even Marks & Spencer was seen to be under threat, two or three years age, from the competition of target marketing—fashion stores like Next and Burton's Top Shop, aiming specifically for segments of the M & S market.

However, the decision by the John Lewis Partnership to test the pulse of out-of-town retailing has no such look about it.

To have the Partnership as anchor tenant, with one of its department stores as the centre-piece for an urban shopping centre, is every retail de-veloper's dream.

In May, when it said it would In May, when it said it would be opening a new department store in Aberdeen, adjacent to Bredero's 270,000 sq ft Bon Accord centre, Bredero gave thanks for a storybook beginning to its then pending—and, subsequently, highly successful—debut on the London stock market.

Also earlier this year, the chairman's statement in the Partnership's annual report said: "No out-of-town retailing in this country can compare for diversity character and quality with modernised city

However, not all city centres are modernised, and around London a lot of people live away from traditional city centre locations. In July, therefore, the Partnership let it be known that its first out of be known that its first out-of-town department store would be

There will be no fashion departments but it is likely that departments catering for leisure interests—sports, gardening, garden furniture, toys radio and television—will be included, along with 600 car parking spaces

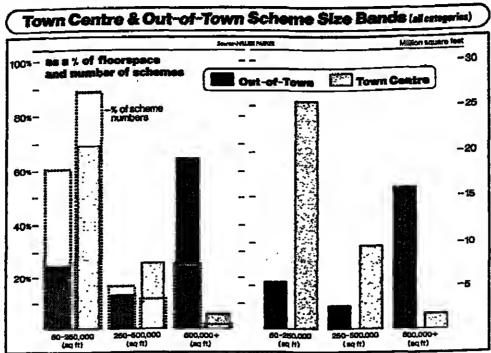
However, John Lewis's director of research and expansion, Mr Stuart Hampton, argued strongly in the July issue of the Partnership Gazette that High Wycombe will be up to depart-mental store standards, with the quality and ambience which that implies.

"We cannot ignore the current of change which is leading
to a growth in out-of-town shopping," he said, and added: "We
shall be addressing our merchandise and our selling epproach
to exactly the same type of
customers who currently form
the mainstay of our business."

Top shopping agents Hillier Parker said, also in July, that proposed shopping centre development was expanding at a phenomenal rate and that, within the overall figures, the "contribution" of out-of-town shopping was accelerating even faster.

Shopping centre construction in the UK grew by more than 50 per cent in the year to last March 31, said the firm, producing an extra 11m sq ft of retail selling space. The scale of retail schemes with planning consent but not yet under construction rose by 66 per cent to 20.1m sq ft in the same period. However, proposals awaiting

However, proposals awaiting consent from planning authorities totalled 47m sq ft at the beginning of June, nearly five times the fevel of 1980, and another 6m sq ft in new schemes was proposed in June itself. Out of town shopping pro-posals, said Hillier Parker, accounted for 50 per cent of the plans last year against a quarter a year earlier. Between March and June 1986 out-of-town



commented that the out-of-town trend was now threatening the dominance of the traditional prime shopping pitch.

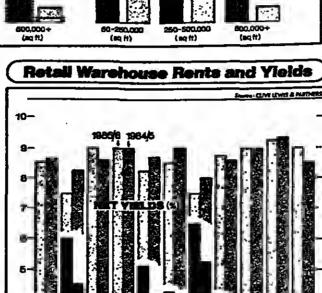
This has not happened over-night. In the July issue of The Flanner, the journal of the Royal Town Flanning Institute, Mr Schiller heralded the third wave of retail decentralisation essentially, the one which takes in the John Lewis Partnership and Marks & Spencer -with a reference to what had gone before.

gone before.

The first wave, he said, was food, and its power is now largely spent. "Superstores are continuing to grow, but their effect on the food sales of the main durable centres is no longer an issue." said Mr Schäler. "With hindsight many planners now welcome the loss of food because it relieves congestion and car parking congestion and car parking pressure."

The second involved retail warehouses, arrived five to ten years after the first wave and is now probably at its height. It includes bulky goods like furniture and carpets, "white" electricals (mercenture cookers) tricals (refrigerators, cookers, etc), these categories being joined by do-it-yourself stores and garden centres.

The third wave, apart from Lewis and M & S, includes names like Habitat, Laura Ashley, Toys R Us, Halfords and (potentially) Boots. All these traders sell comparison goods, as opposed to the convenience foods and durables which have been the out of town staple until now.



Regions: 1 East Midlands: 2 South East; 3 North; 4 Wales; 5 South West; 6 East Anglia; 7 London Conurbation; 8 Lancashire/Cheshire; 9 West Midlands; 10 Yorkshire/Humberside; 11 Scotland

centre," says Mr Schiller.
"... It is possible to imagine
a centre situated on the edge of outlets and a bank," he says. Such a centre would total fewer There will be a certain schemes made up almost 80 per similarity to what has already cent of the total.

There will be a certain schemes made up almost 80 per similarity to what has already cent of the total.

There will be a certain schemes made up almost 80 per similarity to what has already cent of the total.

Pensive and of these goods are extracted in the capability of Marks & Spencer, taken the out-of-town route. As Russell Schiller, partner in pensive and of high quality. Consisting of Marks & Spencer, The third wave, therefore, Tesco, Toys R Us, Habitat, Competes directly with the Allied Carpets, MFI, Comet, a than 500,000 sq ft gross and would not provide a concentra-tion of fashion to match the

As Mr Schiller says, this type of centre will create a dilemma for many town centre retailers, perhaps having to decide be-

Knightsbridge ..... Oxford Street ..... Creydox

PROVINCES

William Cochrane



Newcastle's shopping centre which showed a rental rise of 42 per cent in the 18 months to mid-1985

### Rents

# Market towns blooming

higher rental performance than the other commercial property sectors since the early 1980s. There have been important re-gional variations in growth trends, and observers have also differences between various types of retzil property.
Towards the end of last year,
agents Debenham Tewson & Chinnocks published a report, "Shops, Rents and Rates, 1978-1985," which found that: Overall, the cost of prime shop rents and rates had risen by an average of 20.7 per cent over the 18 months to June 1985 compared with an inflation rate of around 10 per cent over the same period.

Rents had risen by 18 per cent over the period, their strongest growth over the full period of the survey 1978-85.

and were forecast to continue to grow strongly in excess of infiation over at least the next 18 months to two years; • Rate fixing had occurred twice since the firm's previous report and the average increase in local authority rates burdens exceeded infla-tion by one per cent in 1984 and by 16 per cent in 1985. Rates, as a proportion of total

London's Oxford Street, for example, was showing a 24 per

Prime Shop Rents Zone A

(£ per square foot)

SHOPS HAVE had appreciably cent increase in returns since higher rental performance than 1983, with US tourist trade the other commercial property booming in 1985 and with the local market enlivened by the sale of Bournes and a new Capital and Counties scheme.

However, it only made a 1.1 per cent gain for the whole period 1978-85 against a 7.0 per cent average annual compound growth rate for all the centres in the firm's review - orfacipally because rents over-heated in 1979.

and 1982, and recovered to 1941 and 1982, and recovered to 1943 a sq ft by June 1985.

Similarly, Edinburgh got over-excited in 1980, when it reached £133 a foot, and had only recovered to £115 by 1985. It was the northern metropolitan centre of Newcastle which made the biggest increase in rents in the 18 months to mid-1985 with a rise of fully 42 per cent. This, said the firm, was a

continuance of historically high rental levels ensuring from the pressure of demand for the few

been saying about retail reats and investment for the past two

Major town centres, he argues, have not performed as well as they should have done, given the strength of consumer expenditure. He calculates that the top ten towns in Hillier Parker's rent index show sverage retailing rems up by 7.4 per cent per annual compound, between 1982 and 1986.

Oxford Street, according to However, market towas like D T & C, made £313 a sq ft Dorchester, or Circnoester, for prime Zone "A" space in can show rises of 11.2 per cent. 1979 against £227 the year hillier Parker find this so note before. It then went into worthy that they will be decline, down to £130 in 1991 publishing a separate Market Toward Policy of Santanhan This. worthy that they will be publishing a separate Market Towns Index in September. This is likely to show, too, that invest-

ment values have slipped in the big centres.

Mr Schiller says that the average yield for "top ten" towns reached its "low" of 3.85 per cent in 1984, but had eased to 4.35 per cent by May 1986. That means that they are now being beught at a multiple of 23 times their annual rent com-pared with 26 times a couple of

years ago. The market towns yield, he said, had improved from 6.45 to 6.3 per cent, reflecting the fact that they are under less of a threat from the boom in planned out of town shopping

pressure of demand for the few said, had improved from 6.45 to rental units and development opportunities in Northumber that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street—the city's prime that they are under less of a land street from the boom in planned out of town shopping development.

Meanwhile, Clive Lewis & land street in the land street in the land street in the land street in the land street from the boom in planned out of town shopping development.

Meanwhile, Clive Lewis & land street in the land street from the boom in shopping development.

Meanwhile, Clive Lewis & land street in the land street from the boom in planned out of town shopping development.

Meanwhile, Clive Lewis & land street in the land street from the boom in the land street from the boom in the land street from the land street from the land theretal from the land the land street from the land theretal from the land street from the land theretal from the land street from the land theretal from the land street from the land street from the land street from the land theretal from the land street from the land street f out-of-town Gateshead centres which are being deve-centre is un the horizon," loped out of town at present have much effect on town centre

They are, he says, mainly due to the rise of the retail ware-house operating in furnishings, furniture and do-it-yourself convenience retailing — names like MFI, Harris Queensway, B & Q and Texas Homecare, which are effectively creating a new rental market.

He says that this type of in the shade last year, marking up a growth rate in reutals, in real terms, of approximately 22 per cent. The firm qualifies this by saying that outside the south east, although saturation point is still some way off, the push for sites by retailers is beginning to ease.

They counsel caution: "It appears that we are now entering a period of relatively static rentals levels, while the initial slack is being taken up."

Meanwhile, Mr Morgan observes that town centre rents have risen most where tenants could afford it—mainly in market towns where Zone A rents are hetween £25 and £35 a sq ft. "Towns where Zone A is £75 and ower switches are residue." and over, and these are mainly the big towns, haven't seen the same growth," he says.

William Cochrane

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### Technology

# Lasers slice through inefficiency

ever, are more impressed with the so-called soft benefits from

signs that stores chains are which under willing to embrace sophisticated tancy work, new technology as never before. It is the where the introduction of new technology is becoming most the next five years will see "explosive growth" of electronics in stores with over f800m being invested in technology by the end of the decade to supermarket. Although UK supermarkets have lagged behind their US and European countermarkets have lagged

i by <sub>trag</sub>

nology by the end of the decade.
"The six years from 1984 will see no less than a tenfold in-crease in the number of elec-rtonic point of sale terminals," forecasts Mr Nicholas Usher, ICL's supermarket industry marekting manager.

Most activity is centred around the introduction of laser-scanning electronic checkouts in the major supermarket chains, although two other areas of development are shop-ping at bome via an inter-active computer screen or electronic funds transfer at the point of

Behind all these developmenta is the growing awareness by retailers of the need to have greater control of their opera-ting systems. Low inflation in the 1980s has made it increasingly important for retailers to achieve higher productivity in-stead — in the days of high inflation — of relying on rapid price rises to mask inefficient

At the same time, the trend towards ever larger stores has made it essential that retail executives make full use of technology simply to keep track of what is going on.

tively slow to capitalise on the level which will easily pay for benefits.

benefits that technology — the cost of the systems developed the cost of the physical cost savings from operations. But there are now coopers & Lybrands Associates which undertakes retail consul-

> parts in introducing scanning perience that a supermarket checkouts, they are beginning with a turnover of \$150,000 a to catch up fast.
>
> Week could save almost \$50,000 checkouts, they are beginning to catch up fast.
>
> Three of the leading chains

Tesco, Sainshuy and Asda—account for some 40 per cent of the grocery market between them. Their commitment to scanning now makes it almost

Laser-scanning systems are based on the har codes printed on more than 70 per cent (by volume) of packaged groceries in the UK. These codes are hulit up from e series of black lines of varying thicknesses which represent a 13-diggit number unique to each product. Each number identifies the manufacturer and gives details of the product, including its

size and weight.

Products are passed over a low-powered laser at the checkout, linked to an in-store computer which identifies the prices end gives and itemises till receipts. "Having the right stocks in the right place at the right time enables retailers to raise from scanning fall into two

RETAILERS HAVE been rela- turnover and net margins to e categories - hard and soft. While the introduction of that the system should be easy benefits, scanning duto supermarkets for the customer to use and Most supermarkets are reluction its way, the understand and to evoid customant to reveal ta exact size of same cannot be said for the mer embarrassment at the point implementation of Electronic Funds Transfer Systems at the ment consultancy study, bow-ever, suggested that the hard Point of Sale (Eftpos).

Eftpos is the system whereby a customer has account debited directly at the check-out by the use of a special charge card and terminal. For the retailer and banker it promises the faster and more efficient transfer of funds which should help to keep costs down.

However, there remains some a year from the elimination of till errors at the checkout. Many UK supermarkets, howdisagreement between the hanks and retailers about what type of system should be used and how it should be operated.

them. Their commitment to scanning now makes it almost certain that the hulk of supermarkets will have scanning checkouts by the end of this decade.

Point of Sale Terminal News. In a recent survey, found that threequarters of the checkouts operated by large stores would be fitted with scanners by the end of the decade.

Laser-scanning systems are based on the har codes printed on more than 70 per cent (by volume) of packaged groceries in the UK. These codes are of sales data by scanners is

introduction of scanning systems. The electronic capture of sales data by scanners is being used by food and drink manufacturers to analyse consumer shopping patterns and hence an inducement to accept the performance of individual hrands.

You can do it when you B&Q it!

of payment by providing means of controlling expenditure so that unwitting moves into overdraft can be avoided.

The delay in an acceptable tiated has meant that some banks and retailers have alreedy started their own localised ex-periments. Barclaycard, for example, has set up a system called Darts for use in petrol

The new interest by retailers in technology has also seen the beginning of experimental shopping from home systems by snopping from nome systems by use of home computers or the viewdata network. Such sys-tems are in their infancy at present although likely to grow rapidly in the next few years. "By 1990 a significant precent-age of all purchases will be made from a remote location age of all purchases will be made from a remote location, away from the retailer's premises," suggests Mr Craig Herron, managing director of Comp-U-Card, a computerised home shopping system.
"Retailing has never stood still for very long, but the

changes in today's society and the development of new technology have accelerated evolu-tion and created a new breed of electronic retailers," he adds.

David Churchill



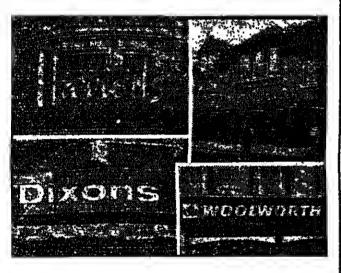
Interactive video shopping under development by Comp-U-Card UK of Windsor whose machine store information and illustrations on thousands of products

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### On this and the following page a look at the principal retailing sectors



Department and variety stores

# The formula is ever-changing

THE ACQUISITION of tha Debenhams department store chain by the Burton Group last year—after a bitterly fought stores rather than traditional takeover battle—again raised doubts over the future of the traditional department store

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Burton was extremely critical with Dixons.

Burton was extremely critical of traditional department stores during its bid campaign—aided hy Sir Terence Conran—and its plans for the Debenhams stores mean thet they are being changed significantly to become almost mini shopping malls with the store housing a number of specialist retailers.

But other department stores—such as Harrods, Salfridges, and the John Lewis Partnership—have proved that the traditional formula can still work. Verdict, a research company which specialises in retail research, points out that "runing a profitable dapartment store business in the 1980s will

tics no longer chart their pro- in in gress. Instead, their performance.

Woolworth — will continue as few years.
e sector to outperform the retail sector in general over the

department stores. One uncer-tainty, bowever, is how the Woolworth store chain now per-forms following the bld battle

With Dixons.

Woolworth, which was bought out three years ago from its US parent by a UK financial consortium, had seemed to be rather slow in moving onto a credible growth track. However, there seems little doubt in the City that the unwelcome approach from Divors— Itself approach from Dixons — Itself in need of extra selling space—has helped the Woolworth management focus on getting its trading operation working effectively and producing worthwhile and consistent profits. approach from Dixons - Itself

Another potential question mark hangs over the new Storestore business in the 1980s will progressively become more difficult."

One sign of the lessening importance of department stores, however, is the fact that the official government retail statistics no longer chart their present stores are longer than their present stores. in improving BHS's perform-

nesses" with total sales of Spencer which has moved onto a new growth treat in this sector, however, remains Marks & Spencer which has moved onto a new growth treat in this sector, however, remains Marks & Spencer which has moved onto a new growth treat in this sector, some £10.8hn last year.

Verdict forecasts that the depertment and variety storessuch as Marks & Spencer which has moved onto a new growth track in tha two years that Lord Rayner has been chairman. Much is expected of M & S in the next

David Churchill





Wolume. 2. COMPANY PROFILES

British retailing is now worth some £87 bit a year and has become the most concentrated in the western world. Bids, deals, takeovers and new alignments are constantly taking place. Retailing in British forms an excellent framework within which these everts can be assessed. Volume 1 examines and analyses 25 different retail sectors; cross references major retailers with the trade sectors they serve; gives short term turnover forecasts, and analyses trends to the 1990s. Volume 2 contains 200 company profiles. Retailing in British is an invaluable source of information for suppliers, analysts and advisers to the trade, and those who work or invest in It. Price for both volumes (including postage): UK & Europe £235; North America US\$530, Fest of world £239.

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### **Trends**

# Consumers are kings in a changing world

RETAILERS investing heavily found (such as the increase in in new store concepts and developments are keen to spot (such as linking an increase in consumer trends well in advance because of the long lead time involved in matching supply with demand.

One factor behind changing in statement of the break-time of the br

ply with demand.

Planning permissions and new store development, for example, can take years to mature—so it is vital that retailers are aware of the likely future impact of consumer shopping patterns.

Other factors include more string women and fewer work-

what impact, for example, will the failure of the legislation on Sunday shopping have on where people shop? Will consumers increasingly prefer one-stop shopping in edge-of-town stores—or will the high street fight back?

Such strategies are in the forefront of many retailers minds as they look to the 1990s. Those who get the answers right, moreover, will most likely emerge as top performers of the next decade.

The crucial significance of indications of change tak-

The crucial significance of identifying trends has prompted identifying trends has prompted many retailers to set up strategic planning departments. The Burton Group, for example, has set up a special "Futures valuable but not essential (such unit" of academics, consultants, and retail specialists to forecast developments in re
"It seems reasonable to relative importance or many staple items, plus the increase staple items, plus the i

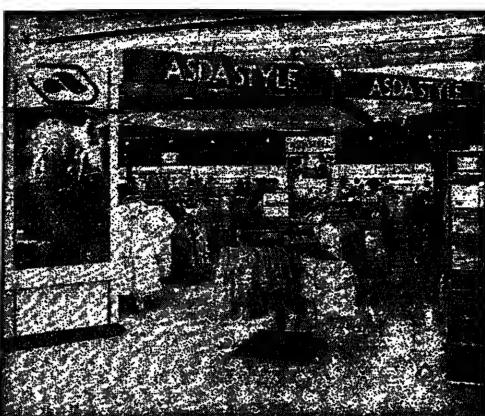
One of its conclusions in the early stages of a move movement of a predominantly affluent population from big towns and cities to small towns and rural areas. Consumers appear to identify more with their local area and give it a greater personal value than non-local wards a move away from the country's constant of the cons

ous indications of change tak-ing place. "The decline in the

local area and give it a greater personal value than non-local centres and urban areas.

Localism, as this trend is called, is only one of a number of significant developments emerging in the 1980s, confirming that this is one of the most important periods for retailers since the abolition of resale price maintenance in the 1960s, sometime in infation in the 1980s called the way for the expansion of multiple chains.

At the heart of retailing trends of the 1980s, however, is the changing lifestyle of consumers who have suffered from the economic downturn.



Traditional demarcation lines in retailing are becoming blurred. Marks & Spencer's move into food retailing has made it one of the country's largest grocers and Asda (above) along with Tesco and J. Sainsbury is broadening operations into

standards of living as wages have risen faster than inflation. Such groups can now afford to be choosy about where they shop and what they buy. It is no surprise that the target group for most major retailers is now the 25 to 45-year-old middle income and middle market families who are

in work and who have extra disposable income. disposable income.

Such consumers, moreover, have increased expectations about what they want from stores. In part, these expectations have been fuelled by consumers exposure to differing lifestyles via foreign holidays, for example. But they also reflect the fact that consumer aspirations for a better lifestyle is an important determinant in

how people shop.

Another dominant trend in the 1980s has been the move by

In other ways - such as In other ways — such as enhanced store and product design—retailers have adapted to these changing trends.

Over the next decade, moreover, traditional demarcation lines in retailing will increasingly become blunred.

Marks & Spencer, for example, has already shown this he for

Marks & Spencer, for example, has already shown this by its development in food retailing to make it one of the country's largest grocers. At the same time, grocers such as Tesco, Asda and J. Saansbury are broadening their operations into non-food areas. Asda, for example, is now selling ears from some of its stores,

Retailers are also in the fore-front of the increase in personal financial services, such as mortgages, banking and loans.

The retail winners of the retail to be a selling and loans.

The retail winners of the retail to be a selling and loans.

This arose from the way in the selling and the selling are from the lower socio-economic classes.

This arose from the way in

financial services, such as mort-gages, banking and loans.

The retail winners of the 1990s will be those who get the marketing mix right. Yet the retail battles ahead—with new important periods for retailers has emerged as king. The sharp since the abolition of resale price maintenance in the 1960s in 1979 and the subsequent departed the way for the expansion of multiple chains.

At the heart of retailing irends of the 1960s, however, is the changing lifestyle of consumers which has altered how family budgets are spent.

Such influences may be pro-

### Supermarkets

# Rival threatens hegemony

1980s to become one of the leading supermarket chains by a process of growth through acquisition.

Last month Mr Monk put the seal on this growth with the ecquisition for £686m of the Fine Fare chain. With Fine Fare, Dee will have more than 1,100 stores trading under the Gateway and Carrefour banner, and total retail sales of about

While Dee and Argyli have concentrated on efficiently running small to medium-sized supermarkets, the majors have for some time looked to super-store developments as the main

Fare, Dee will have more than store developments as the main 1,100 stores trading under the Gateway and Carrefour banner, and total retail sales of about 23.5hn.

This clearly puts it into the "first division" of retailers dominated by Sainsbury (with through a large store. At the

THE KEY development in the supermarket sector over the past year has been the emergence of a new rival to threaten the hegemony of the Asda, Tesco, Sainsbury triumvirate of leading grocers.

This rival is the Dee Corporation, the retailer created over the past five years by the entrepreneurial Mr Alec Monk. Dee, previously known as Linfood Holdings, has emerged from relative obscurity in the early 1980s to become one of the leading supermarket chains by a process of growth through acquisition.

Last month Mr Monk put the seal on this growth with the supermarket on efficiently running small to medium-sized same time, large food stores with ample car-parking on the edge of towns have emerged as response to consumer preferences for one-stop grocery are removed by Tesco.

As the amount spent by households on food remains a market share of 11 to 12 per cent, slightly ahead of Asda.

The other new challenge to the major supermarket has more than 1,000 grocery outlets under the Presto and Lo-Cost names.

While Dee and Argyll have been approached and the major supermarket chains by a process of growth through acquisition.

Last month Mr Monk put the seal on this growth with the

which sell basic groceries and other household products from early in the morning until late at night.

af night.

Shoppers who use the superstores for the bulk of their food
needs are willing to pay more
for the convenience of toppingup their purchases late at night
from a neighbourhood store.

Mail Order

# Broken promise set for repair

MAIL ORDER has been one of the retail disappointments of the 1980s. It was the growth sector of the 1970s, but in this decade has proved vulnerable to the recession and under-performed the overall buoyant picture for retailing.

Only now, however, does it look as if the promise mail order showed in the 1970s may be fulfilled in the late 1980s

This arose from the way in which mail order developed initially as a northern phenomenon in the UK. It offered the opportunity not only for agents to earn extra income through commission but also, more importantly, credit facilities for consumers who had little other access to easy payment.

Although the demographic

hadly hit by the recession.

At the same time, these customers were also able to more largest mail order operator, easily obtain credit from other with a number of brand-name

Chief executives Mr David Jones (left) of Grattan and Mr George Davies of Next mark their £300m. merger with a handshake

profile of mail order has new customers. The key males changed—it has spread to the advantage of mail order was south as well as moved up rapidly being croded. Hence market—it was the northern-based customers who were most 1960 fell to £2.288hm in 1981, sources, as stores and credit catalogues and a market share card companies started wooing of some 42 per cent. The mail

order operations of the Little-woods group have a 25.3 per-cent share. Freemans and Grattan have 13.7 and 19.2 per-cent respectively, with Emptre-holding a 6.2 per cent states and the remaining 2.5 per cent in the hands of smaller operators.

Both Freemans and Gratian have recently shown their determination to develop specialist canlogues, tangeted at particular consumer groups. Freemans bought the Warehouse fashion stores company winte Gratian last month linked with the Next group in a £300m merger. The sim is to provide Next-style merchandies to those shooners who cannot reach the

Next-style merchandice to those shoppers who cannot reach the company's high street shops. But all the mail order companies are closely watching Marks is Spencer to see how farts mail order interest will develop. Marks is using N. Brown investments, a small Manchester-based company, to carry out a small mail order marchester-based company, to carry out a small mail order test operation later this year. If successful, Marks may develop this as an extra part of



Homebase, H. Samuel, Marks & Spencer, Payless D.I.Y., Carrefour and Sainsbury's.

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only ungailant but cruel. Things

only ungaliant but cruel. Intuits
had run on: thunderstorms are
forbidden in Aix during the
Festival, since the Théatre de
l'Archevéché is a roofless
courtyard, but somehow one
had slipped through just before
the opera was to begin.

As conducted by Stephen Soltesz, the opera itself was a more temperale affair—nice orchestral detail, but too respectful to strike any sparks. The Festival director Louis

Erlo makes a policy of enlisting metteurs en scène from outside the operatic world, but the production by Gildas Bourdet and Alain Milianti was not—by current standards—especially

perverse. Laurent Peduzzi's basic set tried bard: flanked by a vertical slice of rococo theatre-hoxes, there was a gross blow-up of Ruben'a Drunken

tion of the Stone Guest ("L'uom' di sasso, l'uomo bianco"), but bore the bero

off to perdition in high strobe-lit style. At Giovanni's party the famous overlapping dancea were played by musicians in period costume, hy heart, but

weren't contrastlogly danced.
He was often backed by a
sinister private militia. Otherwlse the producers' bright
ideas were small, scattered

# An Aida on the grand scale at Savonlinna

The grandeur of the Olavinlinna castle in Savonlinna lends
itself naturally to opera productions on a spectacular scale.
The dangers of staging opera as
a visual extraveganza et the
expense of dramatic coherence
have been demonstrated by The
king goes forth to France,
which I reported on bere eartler
this week. Sevonlinna's
new Aida, which directed by
András Mikó was the main
event of this year's festival,
falls into the same trap. At
Savonlinna there ia at least Savonlinna there is at least space for a cast of thousands and epic designs, but they are by no means enough in them-

7 35 <sub>1936</sub>

Miko ntilises every square metre of the stage and the passagea that thread in and around the auditorium. The triumphal procession in Act 2 is predictably bis tour de force, with hattations of extras appearing from all corners of the castle in a scrupulously drilled cavalcade. There ere no elephants or camels but it is elephants or camels but it is nevertheless Aida in the grand nevertheless Aida in the grand manner. The castle wall which forma the backdrop to the action is emblazoned with gilded Egyptian symbols (designer Seppa Nurimaa) and everything looks aumptuous: only groups of token palms seem misjudged, conjuring images of Torquay in the off aeason rather than the banks of the Nile.

The problems begin with the The problems begin with the dramatic core of the opere itself. Miko evidently cannot resist dispersing his singers to

The opera enfolds a personal tragedy within the context of a savage and rigid society. To neglect the nuances of that tragedy is to strip away a whole dimension from the drama.

Beneath the glitzy surface there seems precious little bappening. The standard of acting is unconvincing (though, on the evening I attended, there may The problems begin with the dramatic core of the opere itself. Mikó evidently cannot resist dispersing his singers to the far corners of the stage, with dire consequences for which more later) and none of the singers appear to the far corners of the stage, with dire consequences for invest their roles with any both the theatrical credibility of the evening and tha coordination between stage and pit.

The first-act trio is strung across some 40 metres, with

the role was given to the understudy Pentti Hietanen, who sang from the pit while Ruohonen walked through on Rudhonen warked inrough on stage. Without any rehearsal Hieranen acquitted bimself re-markably well, taking on his set pieces with confidence and

panache.

The last-minute changes must have unsettled the rest of the cast too, but lu general the standard of singing was adequate: solidly sustained accounts of the King and Ramifis from Marko Putkonen and Rengt Randeren a slightly blow-up of Ruben's Drunken Silenus as drop-curtain. Scenes played in front of It were overwhelmed; and when it rose. It revealed a stark stripped-pine hunting lodge, or giant sauna. Prudently, Bourdet and Milianti made nothing of that, but staged the action as if in a void, with minimal props—including a fine equestrian statue in metallic black who coofounded Leporello's description of the Stone Guest ns from Marko Pulkonen and Bengt Randgren, a slightly overdone Amooasro (Walton Grönross) and rich-toned Amneris (Ulla Sippola). Taru Valjakka's Aida was Intermittently most impressive:

Intermittently most impressive: she was the most likely to have been discomfited by the emergency, but she geve little sign of problems. Her voice was a little threadbare at the top, but the lower register had an incisive, dramatic edge which underlined the lack of bite elsewhere. Martin Turnovsky'a conducting rather unfortunately mirrored the attitude of the whole production, lacking dramatic detail at crucial moments and fevouring instead dramatic detail at crucial ments and fevouring instead aderous aweeps of colour, olied with an excessively and brush.

Andrew Clements

Ideas were small, scattered and palniess.

One of them was to have Gino Quillco deliver most of the "champagne aria" perched the "champagne aria" perched on Levorello's shoulder, while Jean-Phitippe Lafont continued aixois. moments and fevouring instead ponderous aweeps of colour, applied with an excessively bored brush.

### Don Giovanni, Idomeneo/Aix-en-Provence Festival

**David Murray** 



Jean-Philippe Lafont and Gino Quilico in 'Don Giovanni'

cover all but one panel of the seascape. In the circumstances, that amounted to an Event; during the interval the French audience were all gasping "Extraordinaire!" — but a lot of them were hashly buying the firrers to find out what the hell was supposed to be going on. I suspect that the cause of Idomeneo in France has been set back by a generation who could wish to revisit such a deadly picce?

Strosser's version is hy no means slupid; but it is a second-order reading, presupposing a literal familiarity with the text which the audience plainly didn'i have, and cavalier with the literal action. Solo arias delivered with intense self-absorption were not enough ansorption were not enough compensation, nor even the pretty staging of the Idamante-Ilia duet as childish play a la Chéreou. Replacing the distressed Amthony Rolfe Johnson as Idomeneo at short notice, Philip Langridge managed to he frought and la John fraught and haggard à lo John Wood while husbanding his voice; brief flashes of power were not quite sufficient to illuminate the character.

There was a sensitively impassioned principal-boy Ida-mante from Jeanne Piland, and a graceful Ilia hy Sylvia Green-berg. Elianc Coelho's Electra, Aix's other new Mozart is, in Plerre Strosser's production, Idomeneo, ou: lo Colotome du plus hout chie. Travellers should be warned that it is a co-production with Lyons. Nice, Paris, Strasbourg, Fraokfurt and the Opéra Royal de Wallonie, courtesy of Action Musical Seita. There is a stony beach at the footlights, and behind it a storm-torn seascape, framed by black mirror-glass panels: so far, so good. During the overture women tread in—slowly, slowly — wearing designer bathrobes, and then some men (some in academic gowns, across — slowly, slowly — to pressed, allowed no dramatic interplay with the other characters, had

### Television/Anatole Kaletsky

# The money watchers' case for better value

A bald middle-aged man sits chronistic costumes. Even the intellectual content becomes like this are in control.

Which would you rather see on television? Most people would agree on the answer. Most people would also rather watch a weekly rerun of the Royal Wedding in preference to a series of bour-long documentaries about the sufferings of the impoverished peasants who grow the coffee, tea and sugar which John Bull sips in com-placent comfort out of his Fergie commemorative mug. No. in today's frivolous and

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selfish Britain, the odds must bave seemed stacked against Commodities (C4, 10 pm Mon-days), even before the Channel days), even before the Channel
Four nobs settled on a title that would elicit a yawn even among the FT's headline-writers. Which is presumably why the producers decided on a daring if not entirely novel, piny.

Instead of wheeling out the standard pundits they went to a theatrical costumiers, hired an aspiring playwright and put half

A bald middle-aged man sits in an office staring awkwardly wedding had its disconcerting moments. To be waved to consisting the camera. He talks slightly diffidently about investment institutions, andits and "delivering profits to the share-holders."

A dashing Elizabethan figure, complete with ostricb feathers in his hat and ruffles on his collar, rides on a stallion across the Brazilian grasslands. His speech is of the vastness of the jungle—of slaves and galleons, of heathen rites and treasure.

The punters are not just interested in money on television. They are obsessed

with it. To be told this by a man with a waxed mustachio is positively distressing.

explicit, and in the process there emerge some general points about the way that tele-vision treats economics and

vision treats economics and business.

In the middle of an interview with a Chinese manager about joint ventures with multinational companies, the voice-over suddenly flies completely off the handle with the following assertion:

"But what price will China pay for modern industries and financial structures? To other nations this has meant unemployment, poverty, inflation, malnutrition. And the surrender of their economy—to foreign bankers, economists, to foreign bankers, economists, and ultimately foreign advisers and controllers and the

at their disposal. At their disposal."
Poor benighted Chinese. If
only they could see with the
clarity of Channel Four producers. This kind of patronising arrogance is the besetting
sin not only of the Commodities
programmes but of the whole
coverage of business and
economics on TV.
Many of the people who work

Television's treatment of economic and financial current

affairs on programmes such as Newsnight, The Business Programme and The Money Programme is now quite adequate. gramme is now quite adequate. But, when it comes to deeper presentation and analysis, some of the most important issues of contemporary politics and everyday life—subjects like unemployment, taxation, corporate strategies, foreign investment and North Sea oil—still seem to be considered too horing or complex for treat-

boring or complex for treat-ment within the same creativa framework as documentaries on other serious subjects. On the question of boredom, it is enough to give a series of one-word answers — Dallas, Dynasty, Minder. The punters are not just interested in money on television, they are obsessed with it. And who can deny that the true characters and activi-ties of the Bunker Hunts, the Maxwells or the Khashoggis are

any less fascinating and hizarre than those of their fictional cousins?
Complexity and abstraction are genuine problems. But science, technology, religion and the abstract arts bave all come of age on television with series like Horizon, Everyman, Arena and The South Bank Show. Even and the south bonk show. Even infiation accounting is a lot less abstract than the paintings of Mark Rothko or the researches in nnified field theory of Professor Felneman.

- is rarely television's best approach lo an abstract subject. Where programmes like Arcna where programmes like Archa and Horizon are most successful, it is by finding an unusual and relatively narrow focus which reveals to the viewer something of the inner nature of a complex subject—be it the workings of the brain through a programme on Parkinsons' Disease or the contradictions of American tuiture through the Superman comic.

throughout "I mio tesoro").
Sean Rea sounded authoritotive
as the Cummendajore.

The female performances
were in no way discreditable,
but simply less good. Donna
Anna Is not one of Suzanne
Murphy's best roles: she let fly
with more rashness than wisdom in "Or sai chi l'onore,"
rhythmically vague, and domi-

rhythmically vague, and domi-neered in the first-act finale. Mariette Kemmer offered a

mariette Rommer onered a wilting Luxembourgeoisc Donna Elvira with a slightly breathless "Mi tradi" (I thought the ronductor hurried it, as he did "Il mlo tesoro"). As Zerlina. Patricia Rozario looked overparted in dramatic terms and

comic. The same can unquestionably

A one-off like this has as much impact as a Ducket of water in the

Sahara

be done for eronomics and business. This brings us back to our bald middle-aged man. Mr Victor Watson, the charmingly anoft-spoken chairman of Wad dingtons, talking about the sub-terfuges be had to use to keep his rompany out of the grasp of Rohert Maxwell on The Curative Treotment (C4 Saturday), told us more in five minutes about the skulduggery and romance of capitalism than six hours of Commodity pro-

Commodities, And It succeede It showed how the concept of "profit" is far too ambivalent, both morally and eronomically, to act as the sole criterion for business decisions.

It challenged two of the heroes of the British financial establishment — Lord Hanson and Lord Weinstock—by bringing out the difference between "the managers of retrenchment and decline" and "the mana-gers of success and expansion." It questioned the legal structure of the capitalist financial system—is it really rational in this age of institutional investment that a public company should be deemed to exist solely for the benefit of its absence

owners? Television cannot answer the viewers understand them by showing the ways that abstract issues intertwine with daily life. However, the questions raised by programmes like The Curolive Treotment are un-likely to remain for long with most of the programme's

On its own in the midst of a

Saturday afternoon, a one-off programme like this bas as much lasting impact on the audience as a bucket of water thrown on the Sahara Desert. The TV audience will only become familiar with economics become ramiliar with economics through the cumulative effects of many such programmes. Sooner or later the television establishment will have to overcome their prejudices and theatrical costumiers, hired an aspiring playwright and put half their story into the mouths of romantic characters like our unidentified but heavily ruffled adventurer in Brazil.

Personally, I would rather stick to Royal Weddings for equestrian spectacle and ana
colonial era to the present day. Unfortunately this thesis— this thesis— of many such programmes. Gimmicks like fictionalised in nnified field theory of re-enactments, computer graphics or the puppets employed by J. K. Galbraith in his numerably patronising and vapid series on economic theory some ten years ago, are all too often the give-away that people within the string playwright and put half their story into the mouths of which is certainly arguable, if not entirely convincing—is convicting—is converted fine the present day. Unfortunately this thesis— their story into the mouths of which is certainly arguable, if not entirely convincing—is convicting—is converted fine their string field theory of grammes.

However, what is required is not a deluge of programmes on the researches in nnified field theory of grammes.

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But The Carative Treatment was more than just a series of business and economic feory prospersor felneman.

However, what is required is not a deluge of programmes on the vapid field theory of grammes.

But The Carative Treatment was more than just a series of business are deviced in numerably patronising and was more than just a series of business and economic feory was more than just a series of business are deviced in numerably patronising and was more than just a series of business are deviced in numerably patronising and was more than just a series of business are deviced in numerably patronising and the regular part the television o

### The Cocktail Party/Phoenix

### Michael Coveney

The latest effort to raise the tone of the West End makes you yearn immediately for something low and musical. The New Theatre Compaoy led by director John Dexter has assembled a cracking cast of what raight be Olivier's National Theatre if nothing had changed in this infurlating mix of religion and psychiatry breaking through the carapace of social convention.

Alec McCowen picks up where bis Martin Dysart in Equus left off usurping the cocktail party chatters as an Indian like of the past will you change its meaning an audience base can see how in 1950 this sort of stuff might bave appeared terribly exciting, verse drama

bis Martin Dysart in Equus left off usurping the cocktail party chatter as an Unidentified Guest in the Chamberlaynes' flat where the Guardians have returned to assert that stoical acceptance of relationships we have it less dangerous than have is less dangerous than unfulfilled yearning. It is all a lot of bigh flown Angilcan poppycock of course, but at least Mr Dexter's production in Its attention to surface detail will mollify expectations of those who like the idea of religious experience in the theatre, and are ready to confuse intellectual conversation with bathetic gobbledegook. Lavinia has left Edward Chamberlayne, but is brought back to him on condition that he won't ask where she has been. Tricks and lapses of memory are glossed over as endemic to this absenteeism and the reality of a blekering marriage, flared to life in the past tense, leads

graphy and Michael Hastings' Tom ond Viv, It is tempting to read these scenes afresh, eapeci-ally with the talk of going back countries of Rachel Kempson as the party-flitting Julia and, into the cage and Chamber-layne's upturned existentialist riposte that Hell is oneself, as the party-flitting Julia and, in his most magisterially eloquent form, Robert Eddison chamberlayne's lover Celia cook and harbinger of bad tidiogs, Sheila Giah), choosea, also in the consulting room, the terrifying journey to salvation—moves hetween a luxuriant mursing sick natives in Kinkaoia

The latest effort to raise the near an anthill. Elaborating on

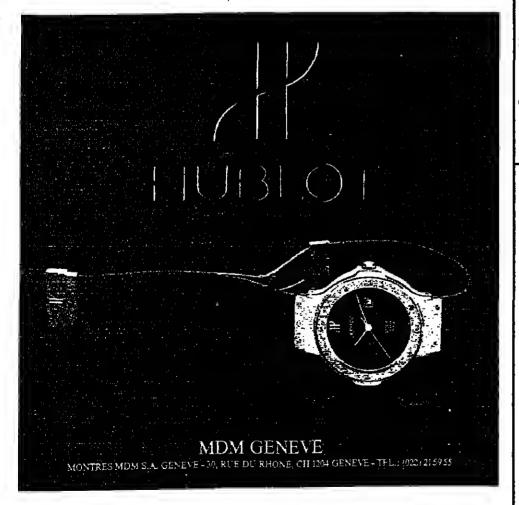
or stuff might bave appeared terribly exciting, verse drama breaking through the evening dress comedy conventions. Now it just sounds ridiculous. The poetic voice of Eliot simply does not survive modern theatrical translation.

You never really understand why Celia should feel she must atone, nor what on earth the absurd cineasie Peler Quilpe (Stephen Boxer) means by ask-ing what is the reality of experipeople. Much better is the identifiable sadness of Simon Ward's prissy, bemused barrister Chamberlayne, beginning to feel old as the play envelops him, mourning his lost Alcestls and Collapsing in a paunchy, waist-coaled heap of delirium on learning about her affair.
At such moments you see the
dark chasms in Eliot's comic

of a blekering marriage, flared to life in the past tense, leads to the accusations of nervous breakdown in the second act. Each is a suplicant at Harcourt-Reilly's medical court. The doctor is the Unidentified Guest.

After Peter Ackroyd's biography and Michael Hastings' Tom and Vir, it is tempting to demystification as the quizzical priestley's Inspector. His fellow Priestley's Inspector. His fellow Guardians ere Rachel Kempson

fyiog journey to salvation— moves between a luxuriant nursing sick natives in Kinkaoja apartment and a stuoning —and is crucified, we hear, very skeletal consulting room.



# Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

### Theatre

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T.S. El-liot's children's poetry set to trendy music is visually startling and choreographically feline, but classic only in the sense of a rather staid



Nilfisk 🍩 WORLD'S LARGEST MAYUFACTURER OF ENDUSTRIAL SUCTION CLEANERS

Bury St. Edward: Saffort (P11 TKR abstract: Burn St. Edward: (US+1) allia)

and overblown idea of theatricality. (239 6262). 42nd Street (Majestic): An immodest

42nd Street (Majestic): An immodest celebration of the heyday of Broadway in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy hoofing by a large chorus line. (977 9020).

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as audiwhich the songs are used as audi-tions rather than emotions. (239 6200).

La Cage aux Folles (Palace). With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to cap-ture the feel of the sweet and hilar-ious original between high-kicking and gaudy chorus oumbers. (757 2626).

l'm Not Rappaport (Booth): The Tony's best play of 1986 won on the strength of its word-of-mouth popularity for the two oldsters oo Central Park benches who bicker uproar-iously about life past, present and future, with a funny plot to match. (239 8200).

CHICAGO

Pump Boys and Dinettes (Apollo Cen-ter): Facetious look at country music and down-home country life with a good beat and some memorable songs, especially one played on kit-cheo utensils has proved to be a du-rable Chicago hit. (835 5100).

July 25-31

TOKYO

Pool for Love: The final of Parco's Fool for Love: The final of Parco's Sam Shepard trilogy and closest to the original. This production, directed by UK's Paul Joyce, demonstrates that Japanese versions of Western plays needs not be stylised, over-acted and superficial. Excellent stage effects. Design by Setsu Asakura. Parco Space Part 3, located in fushionable area of charming winding streets, restaurants and imaginative new buildings in Shibuya (477 5850/5858/5859).

LONDON

The Normal Heart (Albery): Tom "Amadeus" Hulce is playing the crusad-ing hero of Larry Kramer's hysterical melodrama for a three-mo season, as public concern over the Aids epidemic increases. (838 3878 credit cards (CC) 379 8585). La Cage Aux Folles (Palladium):

George Hearn a welcome star along-side Denis Quilley in the transvestite show for all the family Weak second act, less than vintage Jerry Herman score. The show has not travelled well from Broadway.

(437 7373 (CC) 734 8961).
Blithe Spirit (Vaudeville): Susan
Hampshire and Joanna van Gyseghem have now joined Simon Cadell in
this enjoyable Coward revival.

(836 9987). Troilus and Cressida (Barbican): Provocative RSC production set vague-ty in the Crimean War with Juliet. Stevenson refusing to play Cressida false but riveting just the same. The bumptions 1950s Merry Wives con-tinues in repertoire. (628 6795).



Stephen Boxer, Alec McCowen and Rachel Kempson

### **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Wednesday July 30 1986

# Financially embarrassed

THE HUMILIATING climb-down by the Australian Government on Monday, when it was compelled to withdraw a tax on payments to foreign on payments to loreign investors imposed less than a month earlier, is e reminder that in a world in which balance of payments finance is provided almost entirely hy private sources, borrowers can be the expenses. The incident private sources, borrowers can not be choosers. The incident might well be adopted as a text by those who favour the swift, impersonal discipline of the markets over more formal or diplomatic methods. The tax was ill-conceived, and seems to was ill-conceived, and seems to have been simply a concession to the chauvinism of the Australian trade unions. Had it remained in place, Australian borrowers would simply have faced still higher costs. The longer it had stayed in place, the greater the long-term damage.

However, the evidence in favour of market discipline is seldom so clear-cut. The Australians themselves have some right to feel bemused. The original thrust for financial original thrust for financial liberalisation came—as it did in liberalisation came—as it did in Britain seven years ago—from the embarrassing strength of the currency. Even now the trade unions may well feel they have a point. If the Australian current account deficit is due, as they no doobt hope, to a temporary weakness in the price of most Australian exports, the system should be able to provide hridging finance without insisting on an equity sell-out.

### Poor forecasters

These hopes and objections may well be ill-founded. The shift in the terms of trade against primary products seems to be a secular trend, caused by changes in technology and in the structure of final demand, albeit exaggerated by the mild world recession at the moment, A Micawber policy of borrowing in the hope that something, or some price, will turn up, could be potentially disastrons. It is also very possible that foreign entrepreneurs will do more for the Australian economy than the home-grown variety.

dollar down, or that the gyra tions in other exchange rates always give belpful signals. On the contrary, experience in both the dollar and sterling markets suggests that the market is a poor long-term forecaster, late to wake up to known information and then over-reacting to it.

In the dollar market, th implications of growing US fiscal and current account deficits, widely publicised and exhaustively discussed, did not sink in until the market was booted awake in 1985 by two concerted central bank inter ventions. The period of gross over-valuation has done con siderable structural damage to US industry and impatience for some result from devaluation may provoke Congress into hroad protectionism. Restriction on trade to protect free movement of capital does not look like an optimal outcome.

### Market judgment

The UK story goes hack further. In the mid-1970s the market took fright at the borrowing required, quite largely, to develop the North Sea oilfields. When these came on stream, the sterling market suggested that the flow and the price could he sustained for ever, though UK investment institutions fortunately hedged their hets heavily. Now weak sterling is a potential worry. sterling is a potential worry, though the market seems to be oil prospects.

There is a case, certainly, for hoping that financial markets are becoming shrewder and more sober after the turmoil of recent years, but this case would recent years, but this case would hardly justify leaving the whole management of a worldwide structural change simply to market judgment. The international institutions and central banks bave done a notable job of crisis management in the sovereign debt crisis — itself evidence of market misjudgment; and the US is now urging a bigger role for these institu-tions and for co-ordinated policy It is very unlikely, though, in managing the adjustment that dealers had any such long-term analysis in mind when evidence favours them.

# Long haul for **British coal**

THE BRITISH coal industry, while caused the downfall of Mr Edward Heath's Government in 1974 and which presented one of the most severe tests to Mrs Thatcher'o nerve, has proudly announced its first trading profit after five years of mounting losses.

The 1986 results published by British Coal yesterday will allow Sir Ian MacGregor to retire from Sir Ian MacGregor to retire from 33.000 jobs, overall productivity

The 1986 results published by British Coal yesterday will allow Sir Ian MacGregor to retire from his stormy and controversial tenure of the chairmanship with honourable echievement to his

The £535m operating profit recorded in the accounts gives an over-optimistic picture of the underlying health of Britisb the underlying health of Britisb Coal. If government grants, interest charges and a £342m accounting adjustment are taken into consideration the underlying loss would be about £750m. On a current cost accounting basis the loss would be greater. The outlook for the rest of this year, in a good of falling energy prices. world of falling energy prices, must be very difficult indeed. The target for breaking even

has been pushed once again into the future. Nevertheless British Coal has moved decisively in the direc-tion which Sir Ian mapped out ion which Sir Ian mapped out in 1983—towerds greater financial realism and the principle which governs most other commercial undertakings, that production cannot be justified if costs are bopelessly out of line with market prices.

### Painful adjust ment

Sir Ian's hard-headed vision was by no means generally accepted in an industry long accustomed to its privileged position as a monopoly selling most of its output to one captive customer, the Central Electricity Generating Board. The power of the National Union of Mineworkers, a web of political pro-tection and some sentiment ebout the history of coal as major national resource had all conspired to obscure the threat from world morkets.

Yet as fierce competition and new investment was reducing the costs of major producers in Australia, the US and South Africa, British productivity was stagnating or even declining. At the same time miners' wages were rising sharply in relation to average earnings in the rest

of the economy.

Now, the cost of producing UK coal is more than twice that of more efficient producers in other parts of the world. Even after the costs of trans-

continued the more certain it the momentum for cost reduc-was that the UK coal industry tion to slow down.

and the loss of any control of the loss of any control of the loss rapid that output per man-shift is now about a third higher than in 1983-84.

### Militant supporters

The industry still has o very long way to go down this painful trail. Price pressures have intensified strongly since last year, with the spot oil price now less than e third of its level in November 1985. The recent agreement with the CEGB, to cut coal prices to

reflect competition from oil, will cost British Coal about £300m in a full financial year, a similar deal with the South of Scotland Electricity Board will cost obout £70m. The rebuildcost obout £70m. The rebuild-ing of stocks after the miners' strike gave the coal industry a benefit of about £400m in sales which will not be repeated, while it gained £342 last yesr from a special provision for the effects of the strike made the previous year, but not needed in the event.

in the event. All this means that the industry will have to run faster this year and next just to stand still. Not surprisingly it is reti-cent about the consequence for jobs, but it seems inevitable that a further period of severe contraction is in prospect, par-ticularly as two new nuclear power stations will soon be com-

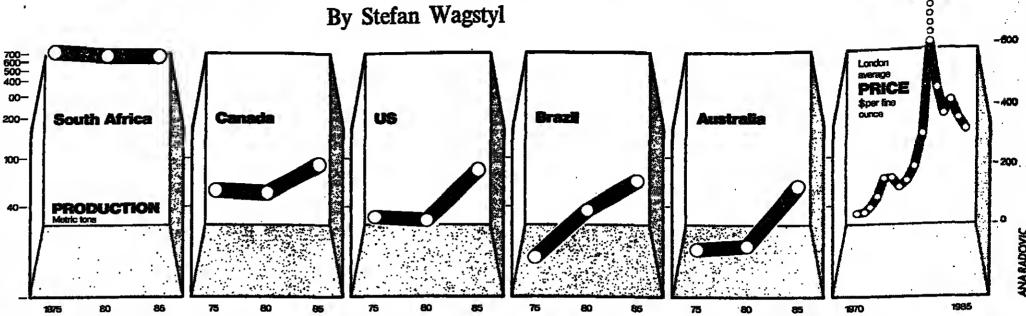
ing on stream. In such an environment any hopes that the Government may have bad of creating a profit-able and market responsive coal industry must have receded for the time being. Some ministers believe that Arthur Scargill and his militant supporters are down but oot out, and have no wish to

provoke the anger of mine-workers before an election.

Moreover, Britain will need a substantial coal industry for many years to come. As the CEGB agreed, it would be folly to force the pace of pit closures by a major switch to oil-fired power stations, since the price port, foreign coal would be very of oil is likely to be volatile and much chesper than the avermay well rise sharply again. age price paid by the CEGB for The Government must make ritish coal. sure that, in taking a long-term
The longer this imbalance view of coal, it does not allow

### WORLD GOLD PROSPECTING

# The new 'Klondikers'



NVESTORS FROM around the world crowded into a marquee 11,000 ft up in the Rocky Mountains earlier this month. Swiss bankers, London fund managers and Los Angeles stockbrokers drank toasts in Pepsi Cola and Seven-Up, because alcohol is not safe at altitude. An ambulance stood by in case anyone felt faint.

The shareholders of Galactic Resources were celebrating the opening of the company's gold mine at Summitville, Coloredo, in the flamboyant style which has characterised gold mining for much of its history. For Galactic, beaded by Mr Robert Friedland, a former

hippie turned venture capita-hist, could be one of the winners in a world-wide modern-day gold rush.

In Canada, the US, Australia, Brazil and elsewhere, prospec-tors have been staking out claims in the 1980s in numbers not seen since the 19th cen-tury. Their efforts are yield-ing results—contributing to an increase in world gold production which will accelerate as more newly-developed mines come on stream. While South Africa remains the dominant producer, increasing mine development spending to record levels, output in other Western countries has risen 80

per cent since 1980.

has ration from its 1980 peak of more than \$800 an ounce, at about \$350 It is still much higher than during most of the 1970s. Most gold mines are profitable, some hugely so. By

contrast, there is little incen-tive to develop new base metal mines when prices are so low

According to Metals Econocolorado, research company, while total exploration spending bas fallen steadily from a record \$1.6bn in 1981 to \$1bn last year, the proportion spont on gold has risen from roughly one-third to around 75 to 80

As in previous gold rushes, investors have not been slow to hack small prospecting companies, joining in some fast and furious speculative activity on stock exchanges in Vancouver, Perth, Spokane (Montana) and elsewhere. Big mining companies, too, have thrown their weight into looking for gold — not only traditional gold companies, such as Consolidated Goldfields and Anglo American, hut also former base metals specialists. For example, at Amax, the US molybdenum company, gold accounted for virtually none of \$118m but for most of the \$40m spent last year.

Changes in technology have increased the chances of deve-loping profitable mines. The crucial improvements have not come in prospecting—although the increased sophistication of aerial photography has made

year for many years . . Who is going to buy this gold?"

The reason that mining companies have heen looking for gold at the expense of almost every other metal is not bard to find. While the gold price has fallen from its 1980 peak success with Kidston, in of more than \$800 an ounce, at about \$350 It is still much Australia's largest gold mine. Australia's largest gold mine. The deposit was first mined in 1907 — Placer'o skill has been to develop e particularly

economical open-pit (surface) mine which can make a profit from the low-grade ore. Some prospectors and their

Some prospectors and their hackers have made o fortune out of the 1980s gold rush. Others are still hoping. One of the lucky ones is Mr Murray Pezim, o 65-year-old former Toronto butcher, who invested in the early days of the discovery at Hemlo, Northern Ontario, the biggest of the new tario, the biggest of the new finds. Mr Pezim says: "I don't know what I'm worth. But if I had only \$10m, I'd say I was

had only \$10m, I'd say I was broke. I'm not broke."

But Mr Pezim agrees that backing small gold companies is a huge gamble. "It's a 1,000-to-one chance," he says. Vancouver stockbrokers calculate that it the part says. late that in the past seven years 19 mines have been brought to production by the 1.100 natural resources companies quoted on their exchange.

Larger companies improve the odds greatly by working ou several projects simultaneously. Not surprisingly, the traditional gold companies have been

among the most successful—
three of the largest new US
mines have been developed by
such groups: Consolidated
Goldfields (Mesquite), Newmont
(Gold Quarry) and Homestake However, some majors with successful gold mines in their portfolios do very little prospecting — instead they rely on the junior companies to come to them with half-developed

Firstly, smaller companies are areas such as the Amazon basin finding it slightly easier to get finance — in Australia, banks have devised "bullion loans" in which money is advanced for mine development in return for lery purchases have risen as a granteed share of gold has strongly as industrialised. a guaranteed share of gold pro-duction; in Canada, some juniors are issuing "flow-through" shares which allow investors to write-off the com-pany'o exploration expenditore

against their own personal in-

The second reason why more smaller companies are able to take mines into production is that, because of the recession in other parts of the mining industry, more senior geologists and mining engineers are willing to strike out on their own. However, perhaps the most significant corporate develop-

ment of this gold rush has been the rise of a new generation of medium-sized Canadian mining companies—apart from Placer Development, there is Teck and Lac Minerals which both have stakes in Hemlo (Lae is currently fighting a court case over

There are also signs that a higger company might emerge from the mass of small Austraian gold companies, if others follow the example of financier Mr Alan Bond, whose Metals Exploration company recently took over the London-quoted Hampton Gold Mining Areas, which has important Australian prospects. Elders IXL, the brewery group, has bought mining transport and services companies in Kalgoorlie, the heart of Australia's gold in-

dustry.

from the South African point of view the new mines are mostly tiny, producing up to 100,000 ounces a year.

However, taken together, these new producers have cut South Africa's share of Western world gold production from over 20 per cent in 1980 to per cent since 1980.

The increase in production is so large that it is bound to have a profound effect on the gold market. Western mine ontput has risen from 950 tonnes in 1980 to 1.213 tonnes last year and is forecast to climb to over 1,400 tonnes hy 1989. At a recent gold conference in London, Mr Timothy Green, a consultant to Cousolidated Goldfields, one of the largest producers, said: "Production is going to buy this gold?"

The reason that mining companies have heen looking for many years. . Who is going to buy this gold?"

The reason that mining companies have heen looking for many personal and the production of increased sophistication of the increase of speak of the introduction of the increased sophistication of the introduction of the increased

kept pace with the growth in supply, largely because jewel-lery purchases have risen strongly as industrialised countries recovered from reces-sion and because several states have been minting gold coins, including Japan which is striking a coin this year to

mark the 60th anniversary of the reign of Emperor Hirohito. This has compensated for a decline in investment interest, which has been prompted by falling inflation and the rise

in stocks and bonds in the

Mr Tom Main, assistant general manager of the South African Chamber of Mines, argues that it is a strength of the gold market that there are four independent groups of gold buyers—jewellery makers, and central banks.

and central banks.
This is true. But the jewellery market has expanded so much that last year it consumed 900 tonnes of gold—or nearly 75 per cent of mine output. Clearly, these sales would be difficult to replace if the market spidenly fell away. Consolidated Goldfields estimates that growth in jewellers gold purchases is slowing down—after a 40 per cent post--after a 40 per cent post-recession increase in 1984, it rose just 10 per cent last year.
Traders believe that this year
demand is declining.
Who will buy the gold that

the jewellery makers do not want? Central bank interest is much less active than it was before 1970 when gold played a major role in international monetary relations. Dr Chris Stals, director-general of finance in South Africa's Department of Finance, says that although central banks bold large amounts of gold the metal lles almost unused at the bottom of the pile of international re-serves. In other words, it seems

gest industrial customers—elec-tronics companies—have increased purchases steadily in recent years they consume a fraction of world supply—some 107 tonnes last year.

Noth certain

prices depends critically on the extent to which there has been a long-term decline in gold's importance as an investment

The bistory of the gold price The bistory of the gold price in the late 1970s and early 1980s shows that the market is onything but predictable. Gold responded strongly to the rise in inflation. It also reacted dramatically to political crises such as the Soviet invasion of Afghanistan. If inflation suddenly begins to rise again or denly begins to rise sgain or the stock markets slump, then

investors could well come rushing back to gold. But there is little sign of But there is little sign of such interest et the moment. Moreover, as Mr Green argues at Gold Fields, the mining industry cannot rely on investors year in, year out. A mine cannot be developed on such a basis. The answer lies in promoting jewellery more aggressively, he says.

However, if gold is increasingly seen as an industrial commodity for the jewellery trade, then its price could be increasingly influenced by supply and demand in the gold market — as happens with other metals.

In that case, for the first time the cost of production would become en important factor in infloencing the gold price. The new generation of mines has helped to bring down Western world costs — to an average of \$254 an ounce after depreciation in 1984 according to Consoliin 1984, according to Consoll-dated Goldfields. The most vulnerable mines are in the US — where production costs are highest. The South African costs of \$240 an ounce in 1984.

serves. In other words, it seems unlikely that central hanks will suddenly become big buyers of gold.

Not can industry be expected. Nor can industry be expected money. Ironically, the prospec-to absorb the gold coming on tors of the 1980s could well find re gold than is good for the industry and put a dampener on one of the few reasons for celebration in mining in recent

recent years they consume a fraction of world supply—some 107 tonnes last year.

So this leaves investors to take up the slack. The extent to which any downturn in jewellery demand affects bonauza for the new "Klon-place depends critically on the dikers." In an industry in the statement of the new "Klon-place depends critically on the dikers." In an industry in the statement of the new "Klon-place depends critically on the dikers." bonanza for the new "Klon-dikers." In an industry in which fortune favours the brave, the party at Summitville is unlikely to be the last of its

### **Hyman and Unwin** merge lists

"I've never done a merger before . . . I'm both exhausted and exhilarated," was the pleased reaction of Rayner Unwin, chairman of Allen and Unwin, to the announcement of the merger hetween his company and Bell and Hyman, the publishers of that continuing best seller, the Diary of Samuel Pepys.

Unwin is the son of Sir Stanley Unwin, author of The Truth About Puhlishing, and still a legend in the trade for

The family business has always had a top-selling quality author who has kept the firm afloat. In George Allen's day it was Ruskin. In Sir Stanley's day it was Bertrand Russell And in Rayner Unwin's day the mighty Tolkien. "We have not come to the end of the road with Tolkien yet," be says. "Oh no, not by any means. There are several things still in the nireline." pipeline."

Unwin will be the largely non-executive chairman of the new company. The managing Bill of rights



"I don't want to start a constitutional crisis, but I think

### **Men and Matters**

director will be the energetic ! It was eight years ago while be was working for Evans Bros that Hyman, with the help of Hambros Bank, acquired the ancient house of George Bell and, in so doing, also acquired the Pepys property with which he and his editors have made publishing history.

Several acquisitions late Hyman finds himself in a fasc nating marriage with a company whose educational and general list neatly dovetails w'. his

And so to bed. And on owaking to the cold light of dawn to the quest for o new Pepys or a new Tolkien.

The walls of Lisbon are becoming plastered with posters and graffiti — but woe betide anybody who tries to clean

It is - would you believe It? - unconstitutional to peel off a poster, no matter how old it might be, or to wash of the graffiti. The 1976 constitution, and its

1982 revision, sanctified the right of free expression — and that right is now interpreted as covering bill-posters and graffiti artists.

Householders trying to clean off layers of general election

posters superimposed on presi-dential election posters superimposed on local election posters risk not only broken finger-nails but a fine.

The government would dearly like to spruce np the city but has not yet found a legal wey of doing so. The rights of bill-posters, it says ruefully, are undoubtedly consecrated in the

A few hardy householders, in the rare periods when no Por-tuguese election is in the offing, have been creeping out with buckets and scrubbing brushes in the small hours. But they have yet made scarcely any impression on the results of e decade of free

### Royal blue

Cruising on the royal yacht, Britannia, is not, the Royal Novy assures me, a danger to health.

The yacht is due for a refit at Devonport dockyard some time—probably January—after the royal newly-weds have ended their hollday in the Azores. The teak deck is to be replaced, the royal suite regilded—and hine asbestos is to be stripped from the linings of the Queen's apart-

"A great deal of blue asbestos

was used when the yacht was built," says a Ministry of Defence official, "but it has been progressively removed during past refits. What re-mains is sealed in compartment linings and does not pose any hazard to health." The refit is expected to cost around £5m—but the MoD would not confirm the figure yesterday. Not a state secret, but "a matter of confidential commercial information."

### Fly Hummingbird

Italy's long-suffering husines travellers are soon set to win a reprieve from the delays and overcrowding too often experienced on the Italian state airline

Next week sees the introduc

tion of the Hummingbird, new 48-seater turboprop which is intended to bring comfort and speed to those who need to short-haul flights up and down the Italian peninsula. The Hummingbird has been unveiled at Naples airport with 200 politicians and businessmen feasting from an exotic table

canapes.

Known in aviation circles as the ATR 42 the aircraft is a computer-designed product of collaboration between Aero-spatiale of France and Aeritalia of Italy—the two state aero-space companies. It is powered by two American Pratt and Whitney engines, and has a cruising speed of 513 km an

Next week the small airport adjacent to Florence will re-open after 12 years to offer twice-daily Hummingbird flights between Florence and Milan, In September a new service will start between Rome, Florence, Naples and Bologna. Later still there will be a hop from Turin to Marseilles.

Michele Crosio, general manager of Aeritalia, told the

crowd under the marquee at Naples that the Hummingbird had been built with executives in mind. To prove his point he then took the guests for a flight over the Gulf of Naples dipping low over the deep blue waters off Capri and Ischia.

### Pennyworth

The House of Commons Public Accounts Committee was wrestling with the question of how a factory is valued.

One member, reports the IPCS Bulletin, suggested: "Is it not similar to placing e market valuation on a public lavatory owned by a local authority? The value to the local outhority may be substantial but to the institutional investor it would be negligible."
It depends," replied Scottish Development Agency chief executive, Dr George Mathewson, "whether it is occupied or not."

Observer



Australia's economic crisis

# A last chance for the lucky country

By Robin Pauley and Emilia Tagaza

a dangerous habit in Australia.
And if the addiction to an insupportably high standard of living is not to prove quickly fatal the population will have to endure exceptionally unpleasant withdrawal comparison. pleasant withdrawal symptoms during the course of treatment which Mr Paul Keating, the Federal Treasurer, is now try-ing to prescribe.

ing to prescribe.

International confidence in Australia's economic future is at an all-time low, reflected in the continuing sharp decline in the value of the Australian dollar and the lack of foreign investment in the country. Mr Keating has warned his compatriots in a series of hard-hitting speeches that the country has only ona last chance to avoid a fall to Third World status.

The last chance is the 1986-87

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budget due on August 19. Yes-terday Mr Keating promised anxious markets at home and abroad: "In the face of this massive cut in export income, can tha Government make
Australia adjust? The answer
is that Australie will adjust and
this budget will be one of the
principal instruments of adjust-

He was speaking one day after Australia's crisis reached a new pitch; for the first time in three years the Reserve Bank had to intervene basvily to rescue the collapsing dollar, investment rules were relaxed to try to tempt back foreign investors and Mr Keating performed a remarkable U-turn on a piece of taxation policy introduced only four weeks

However, getting Australians to take even the present crisis is proving very

Warnings by Mr Keating that
Australia could become a
"hanana republie" and "a thirdrate economy" and by a leading
industrialist that it risks becoming the "poor white trash of
Asia" have washed over Australians like so much warm surf.
With every single economic With every single economic indicator now flashing red, a failure to set out a tough and realistic escape route on August 19 could result in the final collapse in confidence in Aus-

ECONOMIC crises are becoming trails's ability to engineer e a dangerous habit in Australia. recovery based on non-inflationand if the addiction to an ary growth. The ensuing insupportably high standard of political crisis could necessitate at Accord based on growth external intervention in the shape of an emergency package put together by the Inter-national Monetary Fund which would, in turn, put a question mark over the future of the Labor Government of Mr Bob Hawke.

Hawke.

It is difficult to overestimate, therefore, the economic and psychological importance of this year'a last chance budget. Crucial to its success will be an acceptance by trade unions that a very sustere period may be the only way to safeguard jobs and incomes for the future.

A key factor in both agreeing on a tough budget and selling it will be whether Mr Hawke and Mr Keating can get into harness.

Mr Hawke is a charismatic man of the people whose 15 years as president of the Australian Council of Trade Unions has made him both an agile wheeler-dealer and an articulate defender of unionised labour defender of unionised labour and centrally negotiated wages. Mr Keating is stylish, articulate and largely self-taught with a passionata conviction that the

Australian party is over.

The two personalities bava often been at cross purposes since Mr Hawke came to office in 1983. In the early days it did not appear to matter too much not appear to matter too much because the economy was growing rapidly, taking one of the world's highest standards of living yet higher. So Mr Keating was able to take dramatic initiatives such as deregulating the financial markets and floating the delier while Mr. ing the dollar while Mr Hawke basked in rising popularity and told the world that he had cracked the wages-growth conundrum with his Pay Accord.

the Accord did seem a way to get employers. Government and unions on to the same mutually beneficial track. But the Lucky Country struck unlucky; the bottom fell out of the world commodity market on which Australian prosperity was securified. founded. And the structural





Mr Keating (left) and Mr Hawke.

AUSTRALIA

sinitar to these ameting sinitar a decade earlier, and a Latin American-style collapse in the balance of payments.

The brutal fact is thet Australia is virtually a single sector economy. Minaral and farm commodities account for four-fifths of exports but in nearly all commodities Australia is a price-taker and not a price setter. This means it has been powerless against the dramatic fall in world commodity prices. It has continued to live the good life on the back of foreign borrowing; the private sector took one look at the high domestic interest rates and borrowed abroad. Net external debt soared from A\$7.3ba in 1980 to A\$52ba in 1985 (25 per cent of GDP). About one third of the country's total export A further twist to the diffi-culties has been the link between a depreciating currency and inflation. The rapid de-valuation of the floated Australian dollar against the US dollar and Japanese yen should have been a boost for exports and a restraint on domestic consumer demand for imports. However, exports failed to

of the country's total export income now goes towards debt service) against only 8 per cent five years ago.

Consequently, the terms of trade worsened and the current account deficit ballooned, increasing by 34 per cent in the country of the country's total export this background, Mr Keating was already preparing a bitter austerity pill for the budget when his ailing economy of the country's total export against this background, Mr Keating was already preparing a bitter austerity pill for the budget when his ailing economy of the country's total export against this background, Mr Keating was already preparing a bitter austerity pill for the budget when his ailing economy of the country o inflation rate turned out to be 8.4 per cent, double the previous year's figure and three times the everage level for the 24 OECD

states.

The Government moved fast on Monday. The Reserve Bank yanked the dollar out of a nose-dive and Mr Keating opened np the economy to foreign investors. He also removed the 10 per cent withholding tax on foreign borrowings imposed on July 1 in a U-turn which suggested panic.

With the patient back in bed, at least temporarity, Mr Hawke and Mr Keating must now return to their budget deliberademand of consumers spending wages paid out of an economy no longer earning them.

Small and large investors know an exit sign when they see one. International share trust funds report that in the six months to June they accepted at least A\$400m of Australian small investors' money for placing in foreign equity markets and other harder currency instruments compared with just A\$100m for the whole of 1985. Institutional investors includ-

ting pension fund managers have increased that proportion of his demand for public sector funds invested offshore to between 25 to 40 per cent now from 5 to 10 per cent up to last year.

tions. Mr Keating has increased his demand for public sector cuts in 1986-87 from A\$1.4bn to A\$2.5bn as part of the attracegy to limit the public deficit to A\$5bn in 1986-87. The

However, exports failed to respond quickly enough because of the typical time lag involved before devaluation effects filter through and inflation started to rise, fuelled by the indexed wage system.

most controversial cut be wants is lower pensions and family allowances to save A5350m and there may be equally contantious demands for a cut in Australia's generous unemployment pay. ment pay. It is not at all clear that Mr Hawke is yet prepared for the

loss of popularity which Mr Keating's strategy implies. Policy differences between the two ere being noted giesfully by Mr John Howard, the by Mr John Howard, the opposition leader, who is standing by with his own mixture of free market policies in case Mr Hawke dithers over the August budget and then falls as the crisis overwhelms him.

There is one small piece of There is one small piece of evidence, bowever, which indicates that Mr Hawke's Australians may understand the predicament better than be believes. One of the best selling history books in recent times compared Australia's economic history with that of Argentina, both similar in their historic religance on comtheir historic reliance on com-modity markets and the vast protectionist barriers erected around their internal economies. In the 1920s Australia and Argentina were the sixth and seventh wealthiest nations in the world in terms of per capita income. Australia has now dropped out of the top 10 and is about 18th. Argentina has fallen out of tha top 50. **British education** 

# Fostering an instinct for the marketplace

By Larry Siedenton

THE CONCERN of some members of the Thatcher Governshaped largely by the family ture of British society.

ment to foster "economic and, perhaps, by early schools Is there then nothing that awareness"—an important and well-intentioned concern—can who seem in a market, above it easily lead to mistakan con- or below it, is the crucial clusions. How can the sense of experience—an experience being an economic agent and compared with which, mere being an economic agent and the rationality appropriate to market relations be fostered? The idea that formal instruction in market economics can do more than affect at the margins schoolchildren's sense of iden-tity is dubious.

Far more important is the sense of identity brought to the schools and universities, and it is bere that Britain has differed from most developed Western societies.

tect the interests of one's own

The first attitude might be called essentially middle-class or bourgeois—the market as bedfellow, so to speak. The second should probably be called "projetarian"—the mar-

and, perhaps, by early schooling. Identifying with people learning about the theory of the market at a later age can hardly compare in inptivating force. And if that is the case, then it follows that a truly re-

After all, ettitudes towards market relations can take three forms. First, the market can be seen as something embracing everyone, something everyone bas at least a tolerable chance of turning to his or ber advantage. Secondly, the market care. of turning to his or ber advantage. Secondly, the market can be seen as something external and bostile, serving the interest of one well-defined group in sockety at the expense of another. And, third, the market can be seen as something external and favourable, something which exists to protect the interests of one's own

ket as devouring monster; while the third is upper and upper-middle class—the market as poodle. The great British problem, at least until recently. is that far too many people bave viewed the market either

then it follows that a truly re-forming government will have to address Itself to social arrangements which impede mobility, both social and geo-graphical. It will have to ask difficult questions about the dis-tribution of wealth, premature specisissation in the schools and ease of entry into the pro-fessions.

This undestrable distribution of attitudes towards the market throws considerable light on the throws considerable light on the failures of economic rationallty in the UK. The failure of the Left to root its proposals in a plausible framework of resources and costs is not accidental. For when agents have never felt that they bad access never felt that they bad access to a market on anything like equal terms, they do not internalise its disciplines. Appeals to self-restraint in wage bargaining bave therefore falien on aimost literally deaf ears in the UK compared, say, to Germany, Holland, France or the US. When seeking a protected nicbe in a world felt to be essentially hostile becomes the standard mode of operating for e social group, it cannot shift suddenly group, it cannot shift suddenly into the sort of rational or cost/ benefit analysis which comes naturally to agents accustomed to market calculations. The be-

Western Europe and Japan. It is tempting to suggest that vative attitude, especially influenced, no doubt, by the the strength of the financial as industry.

The deeper, instinctive atti
of the British economy has, in is a university lecturer in politica.

HOTLINE \* \* PLESSEY

Is there then nothing that British educational institutions can do to change or offset this

ean do to change or offset this pattern? There is something. For the pattern of early specialisation imposed by British education reinforces immobility. It inhibits social and geographical mobility, by making students coutious and rather inflexible. Students approach the marketplace in approach the marketplace, in consequence, not so much with confidence as with an unstable mixture of greed and fear. Instead of correcting the vicea of British social structure, premature specialisation reinforces them. Instead of carrying on with a reasonable spread of basic subjects until the eod of their schooling, students are confined to a few subjects at which they become relatively adort.

tended tends to confirm social position rather than giving some the confidence to break out of their backgroud. Having a core of basic subjects which everyone does until a relatively advanced age provides a kind of core of their backgroud webster. social melting pot, whereas early specialisation has the effect of bumiliating those whose social origins point joitwhose social origins point ioitally in a vocational direction. Pupils find themselves so far outstripped in certain basic social attainments ("liberal" in the best sense of the word) that they no longer wish to measure themselves against others, and thus a kind of despair is created which sustains a indice artifula later in title a juddite attitude later in life.

to market calculations. The bebaviour of individuals from that
group who begin, tentatively, to
internalise such a moda of
thinking, is more likely to be
tabelled "treasonous" than
"rational."

By the same token, those in
religible advantaged scaled monster. The intermediate or middling attitude—regarding the market as bedfellow—has simply not been spread widely enough. That perception, which depends upon people imagining themselves into the marketplace without feeling radically disadvantaged or advantaged, is what bas developed in the post-war period in Western Europe and Japan, influenced, no doubt, by the model of American society.

Intermatise such a moda of fer from the reduced competition in society which results. To put it another way, children from upper-middle class backgrounds lo Japan, France or the use of the market as a poodle ere more likely to go for immediate promate and economic advantages than their counterparts in the UK. That expectation, in turn, has ruled out complacency and betped to generate a more innovative attitude, especially in industry.

### Spending by councils

From the Borough Treasurer, Trafford Metropolitan Borough

Council.
Sir,—Your article "councils exceed capital spending limit by 37 per cent" (July 23) adds weight to the popular, but mistaken, belief that local

anthorities are profligate in their capital spending.

Tha truth of the matter, I would suggest, is that not one local authority has exceeded is own individual spending limit which, paradoxically, is derived from the Government. The problem lies with the Treasury from the Government. The problem lies with the Treasury computing an apparently arbitrary annual cash limit in aggregate, which bears no resemblance to the pertinent individual anthorisation levels for local authorities arrived at by reference to the Local Government, Pianning and Land Acti It is no wonder that the Treasury target cannot be met, but placing the blame every year et the doorstep of "inef-ficient" local government is something of a distortion.

G. Laws, PO Box 10,

### Barriers for communication

From Mr A. Aldridge
Sir,—The connection of any Sir,—The connection of any apparatus to the public telephone network is controlled in law—and the law requires that any such apparatus shall be officially tested and covered by a certificate issued by the testing authority, British Approvals Board, Telecommunications (BABT) before connection is made.

It is absolutely right and proper that the BT network should be protected from apparatus that might be dangerous to BT plant and personnel or which might interfere with signalling arrangements or cause interference to other subscribers. But I question whether the current arrangements to ensure protection are the most sensible in the real

world in which we live.
At the moment, BABT has an enormous backlog of devices awaiting approval. It is also refusing to accept some other devices on the grounds that they are so new that there is no official test procedure against which to test them. In either case the result is

the same—needless expense to

manufacturers or prospective manufacturers and to the country in general. For when a manufacturer cannot get his product line moving, it costs him money. If he lays off staff, or cannot take on new ataff for new production, tha country pays put for unemployment. The problem could be solved

by producing a "universal barrier device." This would

### **Letters to the Editor**

have standard BT connection terminals/sockets at one end and terminals at the other end to connect private apparatus. Be-tween the two sets of terminals would be over voltage and over current protectors, an isolation current protectors, an isolation transformer, a bandwidth limiting circuit keeping to speech frequencies and speech frequency volume level control. Relay contacts for "dialling" and "hold" could be equally protected and their operating rates and standards controlled within the device.

rates and standards controlled within the device.

If this "universal barrier device" were approved by BABT, then anyons could use it without need for time consuming procedures for getting each individual piece of epparatus approved. BT would be assured of complete protection.

There is already a precedent assured of complete protection.

There is already a precedent
for an approved general device
to be used to connect non-BABTapproved units to the telephone network. The modem for con-necting home computars, not in themselves approved by BABT, is en example. It is the universal

application of this procedent that is required.

The public and commercial demand for such a unit would enable reasonable production enance reasonable production runs for its manufacture so that it naed not be expensive. It would at least demolish the "arguments" of those who at arguments or those who at present try to connect equipment illegally to BT lines.

A. R. Aldridge,

Stephyns Chambers,

Bank Court, Marlowes, Hemel Hempstead, Herts.

### Fat or thin

From Mr G. Watts
Sir,—I refer to the article
"Fat v Thin" on July 23. One
can understand how tha type 23 frigate with its length/ breadth ratio of 8.5 to 1 evolved when speed (which varies as when speed (which varies as the square root of the water-line length) was expensive to produce. even with labour and steel comparatively cheap, but the additional cost of steel for providing for the greater bending momeot of a long ship must be considereble—probably astronomic, Hence with modern engines and present modern engines and present day costs, a more normal length/breadth ratio of 5 to I is coliged to be more economical, quite apart from the

pther advantages.
I should have thought the various parameters could be plotted on a graph and the pptimum solution fpund. Even a ratio of 5 to I cannot be called "short and fat."

cise be set to the various fourth year courses at our naval architecture schools? All the information required must be readily available. G. A. H. Watts.

such a blow to export revenue are so fundamental as to make

difficult to sustain.

However, the strains soon became apparent. Mr Hawke and Mr Keating have been pull-

ing against each other re-peatedly since last year when it became clear that far from

being a new model for a mixed economy, Australia bad fallen into all the standard economic

boles: collapsing commodity ex-port prices typical of much of the Third World, internal regi-dities preventing domestic wage and price adjustments similar to those afflicting Britain a decade earlier, and a Latin Americanstyle collapse

creasing by 34 per cent to A\$14.3bn in 1985-86. All growth

engines shut down bar one: imports whirred to satisfy the demand of consumers spending

### Stroat House, Stroat, Nr Chepstow, Marriages

myth From Mr J. Ecklin Sir.—I was surprised to see sir.—I was surprised to see e newspaper, as experienced as you are in the use of statistics, continuing (July 23) to perpetuate the popular myth that "the marriage break-up rate is one-in-three."

While this is true that there are roughly 160,000 divorces per year and roughly 400,000 marriages each year, you are for

year and roughly 40,000 mar-riages each year, you are for-getting the large "stock" of existing marriages. There are roughly 12,500,000 existing mar-riages, which means thet the break-up rate is only about 12 per cent, a much less distressing

John Ecklin, 19, Eastwick Park Avenue, Great Bookham, Surrey.

### Effects of the tunnel

From the Director, British Road Federation. Sir-Andrew Taylor's article (July 25) on the economic and environmental effects of the Channel tunnel was right to lay emphasis on the potential class between these two considerations.

If we want to maximise the economic benefits and minimise the environmental impact is seems to me imperative to pro-vide a transport infrastructure

which will encourage development over the widest possible area.

If this is to be achieved we need not only a fully opera-tional and effective M25 and the East London river crossing, which Mr Taylor mentions, but also a completed M40 between Oxford and Birmingham and many other better road links. Even a second Severn bridge is an important factor. A study of French plans for highway links to the tunnel shows proposals for new roads far beyond the immediate area of the Pas de Calais.

Cowdray House, 6, Portugal Street WC2. **Voting for** 

Europe From Mr B. Anderson alled "short and fat."

Sir. — Expatriates who have
May I suggest that the exernot lived in the UK within the last five years will continue to

last five years will continue to have no voting rights in the UK elections. I cannot honestly quibble with this. UK politics are really a matter for UK residents only.

I am however, a European citizen, born in one European state and living in another but with no right to vote in European parliamentary elections. We expatriates might not make verfect unters but are we not perfect voters but are we not better qualified, than most other Europeans to vote in European parliamentary elections?

Probably the reason why
European politicians are dragging their feet in giving us a
European vote is that we might
be instrumental in giving
Europe a tiny bit of momentum which they could not control. Barrie Anderson, Kronprinzstr 131, 4018 Langenfeld, West Germany.

# Representation

and taxation From Mr A. Kirkbu From Mr A. Kirkby
Sir,—When Mr Denham (July
28) refers to me as "a Mr
Kirkby" instead of as "Mr A.
Kirkby" I sense that I have
amoyed him. When be asks me
"to apologise publicly for an
undeserved insult to his fellow
citizens," I realisa thet I bave
heen misunderstood

been misunderstood.

I did not say that most
British expatriates left Britain British expatriates left Britain in order to escape the UK Inland Revenue tax net. What I did say was that most British expatriates (whose reasons for living abroad I have not commented on). "understandably accumulata" their earnings outsida tha UK tax net. It was interesting to see that the idea of "no representation without taxation" did not go unsupported among expetriate correspondents. Tom Paine would bave agreed too, I think. Andrew Kirkby.
7. Riverside Court, Colleton Crescent, Exeter, Devon.

### Exeter, Devon. Mobility of labour

From Mr S. Mobbs Sir.—Does Mr Tebbit's pro-Sir,—Does Mr Tebbira proposal (July 28) to reduce unemployment benefil in areas prerelatively low unemployment
and to increase it in areas of
relatively high unemployment
represent a shift in the Government's economic philosophy?

The control of the prolate of the control of the control
of the control of the control of the control
of the control of the control of the control
of the control of the c Until now, I had understood the Government to be in favour of prompting labour mpbility from areas where tobs were in short supply in areas where thay are relatively plentiful. Mr Tebbit, on the pther hand, eppears to favour giving incentives to the un-employed to "get on their bikes" to areas where un-employment benefit is highest

job lowest. S. N. Mobbs, 180a Haperstock Hill, NW3.

but the prospects of finding

Telephone Rentals sign £65m deal

A six-year agreement for the supply of Plessey telecomexpected to be worth more than signed by Telephone Rentals ple and Plessey.

The agreement marks a further milestone for the two companies, whose business relationship spans 50 years.

### CONFIDENCE

Mr Ian Maclean, Chief Executive of Plessey Network & Office Systems Limited, said, This new agreement continues the link between our companies, and demonstrates Telephone Rentals' confidence in Plessey.

'As Britain moves into the world of Integrated Services Digital Networks (ISDN), Plessey will continue to main tain its position as Europe's leading supplier of digital private switching systems to the business community. This agreement will maintain Telephone Rentals in the forefront of this exciting new world." Telephone Rentals Managing Director, Mr P A ('Gus') Moore, said, 'The Plessey

### NEW. FLIGHT DATA SYSTEMS

The new Plessey Aircraft Inte-grated Monitoring System has been chosen by the Royal Air Force for its Tecano trainer. The system includes crash-

protected data and voice recordng, real-time data processing of fatigue life for engine and struc-ture, limit exceedance detection and display and non-rolatile storage of data.

Other orders for Plessey flight data systems include contracts to equip the Harrier GR5 and AV8B with Plessey

Total orders for these two sircraft are expected to exceed



ADVERTISEMENT

lan Maclean (Piessey) left and Gos Moore (Telephone Re agreement on TV-un's 'Money Matters' programme, will looking on.

advanced technology develop-

ment and production capabilities and Telephone Rentals' strengths in UK-wide customer

service and maintenance pro-

vide a powerful combination

of skills tn meet the needs of

the business communications

largest UK company dedicated

solely to the supply, installation

and maintenance of communi-

cations systems of all types for

Plessey is one of the world's

leading manufacturers of digi-

tal private switching systems,

and the largest nutside North

America. In the last three years

it has delivered over a million

lines of digital PABX (Private

Automatic Branch Exchange)

systems throughout the world.

Telephone Rentals is the

systems market.'

business users.

### Joint marketing with Burroughs

Burroughs and Piessey will jointly market and develop integrated voice and data communi cations and office automation systems, using Burroughs' B25 and XE500 ranges of workstations and mini-computers and Plessey digital PABX and

packet switching systems.

Apart from Plessey selling the
Burroughs B25 - for which orders worth over £1 million have aiready been booked - and XE520, the two companies will work together to design advanced integrated networks and to develop special software for new applications.

# RAF gets first Watchman display

display system for a Royal Air Force airfield has been handed over on time by Plessey at RAF Waddington.

The RAF Waddington

installation is the first of approximately 40 Watchman installations planned over the next few years.

The Plessey display system the most modern of its kind in the world - comprises a number of self-contained autonomous consoles each with its own dedicated data Drocessor

The display presents real-





time primary radar data together with secondary radar plots with labels and generates and displays synthetic viden maps. Each display contains the total system software, giving each console complete independence and providing extremely good fail-soft characteristics for the system as

Relocation details on 0633 56906

# **FINANCIAL TIMES**

Wednesday July 30 1986

Changing ventilation into air ecology



# Canberra defends timing of package

MR PAUL KEATING, the Austral- was far greater than the Governian Treasurer, denied yesterday ment had expected.
that the relaxation of foreign inthat the relaxation of foreign investment regulations that he another Australian Chamber of Manunounced on Monday was a panic facturers and the National Institute measure to prop up the Australian

The measures had been contemplated for some time, Mr Keating said. He and Mr Bob Hawke, the Prime Minister, had finalised them on Monday. They would have been announced on Monday regardless of how the exchange rate was do-

He conceded, however, that the Government had made a mistake in introducing the interest withhold-ing tax on Australian foreign secuage be announced on Monday restored the exemption for securities but not for foreign borrowings by thorities. Mr Keating said the effect

WINDFALL gains from the collapse

of oil prices and the lower dollar

should not deflect the Italian au-

thorities from the urgent need to

draw up a credible policy to reduce the country's huge public sector def-

icit and control government spend-

This is one of the main recom-

mendations of the annual report on

the Italian economy by the Organi-

sation for Economic Co-operation

and Development (OECD) published yesterday. Although pre-

pared before the latest Italian polit-

ical crisis, it provides a blueprint for the new Government's economic

The OECD says the new Govern-

ment will have to make the reduc-tion of the budget deficit its highest

priority. But the Paris agency also notes somewhat despondently that

past efforts to stabilise the Italian

ment radical changes in its admin-

istration by a report from manage-ment consultants Price Water-

the international tin crisis.

deficit have seldom succeeded.

of Economic and Industry Research ecast that the country's real gross domestic product was likely to increase by only 1.9 per cent in 1986-87 against world growth of perhaps 2.8 to 2.9 per cent. Real growth for 1985-86, on the other hand, was likely to have reached 4.1 per cent despite the economic slowwn of the last six months.

The foreign investment package was generally welcomed by the fi-nancial markets and by business. The package includes the dismant-ling of most restrictions on foreign investment and the abolition of taxes on profits made in Australia by foreign investors.

A return of confidence in the Australian dollar was seen as cru-

public finance remain fundamental

problems, despite an improved short-term outlook due to the deval-

uation of the lira last year, the de-preciation of the dollar and falling

commodity prices, especially oil.

Growth is expected to pick up to about 3 per cent this year but this will hardly be sufficient to reverse

the rise in the rate of unemploy-

ment, which increased to 11.1 per

cent in the second half of last year.

The OECD adds that the official un-

employment figures do not tell the whole story and that the true rate is

On the positive side, the OECD

lys the consumer inflation rate is

likely to drop to 5.5 per cent this year from 9.4 per cent last year and fall further to 3.5 per cent next year.

The balance of payments current account is also expected to show a surplus of \$4bn this year.

ficit have seldom succeeded.

The general government borrowcomes policies," the Paris agency
recommends. The OECD also backs

closer to 12.5 per cent.

**OECD** tells Italy to cut budget deficit

gained part of its 24-point fall of the previous session to end up 11 at 1,105.5, writes Perrie Croshaw in

[Property developers scored strong gains after the Government's relaxation of foreign investment regulations which stipulated that 50 per cent Australian equity was required before a foreign company could buy a property group.
[A London-based analyst for an
Australian stockbroker said that
the markets would be looking for a tight budget in August as a sign thet the government was coming to grips with the fundamental prob-

The Australian dollar traded at a steadier course yesterday although there was still some volatility as it moved to a high of 62.4 US cents before falling to 60.8 cents.

The corporate foreign exchange manager of the National Mutual cial in Sydney markets yesterday Royal Bank, Mr Guy Immanuel, where the All Ordinaries index resaid that the Labor Government's

per cent last year. In lira terms, the

borrowing requirement would total L91,900bn (\$62.7bn) this year com-

However, the OECD adds that

the improvement expected in eco-

nomic performance in the next two

years does not lift the clouds which

In the medium term, the OECD

still hang over the Italian economy.

says the only way Italy can sub-

stantially reduce inflation in a sus-

tained way is by a lasting reduction

in the growth of the monetary

aggregates. This requires the ela-

boration of and the strict adherence

to a comprehensive economic policy

programme combining appropriate

monetary targets with ambitious

yet realistic objectives for fiscal

consolidation and supportive in-

pared with L95,800bn last year.

sions on foreign investment helped to restore confidence in the short term, but there were other factors that would determine long term stability including the balance of pay ments performance and the budget. He said the 1986-87 budget expected to be announced on August 19 would largely influence the prospects of the Australian dollar.

Property consultants said that the lifting of controls on foreign investment would attract considerments themselves would take much longer to materialise. The director of merchant bank Schroder Darling's property division, Mr Jeremy Lewis, said that most institutional investors were interested in very prime office buildings but these ere not easily available at present.

Editorial comment, Page 12; Feature, Page 13; Sharemarket report, Page 36

controls to one of indirect regula-

For the OECD, the chronic public

sector deficit and the size of Italy'a public debt are among the biggest

difficulties facing the economy and

cramping economic policy. Total public debt outstanding is forecast to exceed 100 per cent of GDP by

the end of next year and the OECD

says there are no immediate pros-

pects of stabilising this ratio if no

corrective steps are taken. The pub-lic debt outstanding, estimated at

L634,900bn last year represented 95.9 per cent of GDP which at cur-

The OECD believes that the first

step towards controlling Italian public finances would be to draw up

a "credible policy programme" for stabilising the debt-GDP ratio in the medium term.

rent prices totalled L684,900hn.

tion of the money supply.

### France to cut 20,000 jobs in civil service

By Paul Betts in Paris.

eted to cut about 20,000 jobs in the civil service next year and halve sive Ecole Nationale d'Administra-tion (ENA), the establishment which grooms all top civil servants and most political leaders in

which has pledged to reduce the weight of the state in French affairs, is to launch its reform of the civil service with major changes in the recruitment policies of ENA. This is despite the current adminis tration having more former ENA graduates among its ranks - includ-ing Mr Jacques Chirac, the Prime Minister, than any French Government in recent years. Mr Laurent Fabius, the former Socialist Prime Minister, was also an ENA gradu-

At the same time, the Govern ment plans job cuts in the civil ser-vice as well as a freeze on public ector wages as part of its budget-

ry restraint next year. Mr Herve de Charette, the minister responsible for the civil service, says a maximum of 80 new students will be admitted to ENA next year compared with 166 in the last acaic year. The ENA course will be the current 29-30 months.

The Government will also abolish the practice, introduced by the for-mer left-wing Government, of allo-cating a number of ENA places to trade union members, local govern-ment politicians and members of loal community associations. This decision was immediately criticised by the Socialists and the Communists yesterday as a move designed to make ENA an even more elitist

Mr de Charette has decided to inrease contacts between the civil service and the private sector by iring experts from the private sector to work for the administration on a temporary contractual basis, Although Mr de Charette sug-gested that the civil service would

shed a total of between 10,000 and 15,000 jobs next year, the Finance yesterday that the number of jobs likely to be cut would involve about 20,000 people out of a total of 2.5m French civil servants.

# Komatsu's **UK** union

BRITISH WORKERS are hauling

themselves fully into the Jananes

But the 250 workers to be employ-

Komatsu is aware that persuad-

it's worth the attempt."

The exercises are a novel part of the single-union package the company unveiled yesterday with the Amalgamated Engineering Union, whose leaders proclaimed themselves "delighted" with the deal.

The deal features full workforce

THE LEX COLUMN

# The pleasures of cheap money

If doubts about the physical well seing of the Prime Minister were sehind Monday's market malaise, evidence that her political death has also been exaggerated was enough to reverse the trend. Having continued to a southerly direc-tion throughout the morning, a Mori poll showing the Government only a point behind Labour was the rigger for a 20 point uninterrupted run up on the FT-SE 100. There was even an institutional buying order covering 50 stocks. Investment buy-

### NatWest

It would be difficult to think of a ss seasonal business than banking, so the convention of comparing one set of interim figures with the same period in the previous year is probably less accurate as a measure of performance than a comparison with the previous six months. The distinction is particularly appo-site in the case of National Westminster's interim pre-tax profits of £482m - 34 per cent up on the first balf of 1965, but less than 9 per cent ahead of the second half. Naturally the board prefers the conventional method of comparing and contrast-ing but even the less charitable version represents a robust response to competitive trading conditions, right at the top end of market expectations and prompting a 5p rise in the share price to 517p.

At times, NatWest appears to deing banks suffer as interest rates fall. This is due reward for the company's long term strategy of making itself less rate sensitive, by building up its fixed rate loan book and 'strategic' gilt portfolio. The British businessmen who took Nat-West's hard sell of fixed rate debt are now keeping the bank in the pink, although doubtless the same borrowers are also a significant element in the increased specific pro-vision for bad debts. That, however, should be deductible from profits. NatWest's decision to capitalise on

Although the home banking side takes most of the credit for the improved performance, maintained stated earnings from the American business are the more impressive, set against the dollar depreciation. And in the US NatWest cannot rely on the singular apathy of the UK re-tail customer. The continued popularity of the deposit account verges on the bizarre, particularly as Nat-West's margin on this gravity-dely-ing business has risen from 3 to 3.8 per cent. Perhaps these are the personal accounts of the busines

who have given the bank such a lucrative fixed rate loan book.

The target for NatWest'a £714m rights issue loot remains as mysterious as ever. The company has never, to its credit, been one for king-sized acquisitions. More than ever it appears that the cash was bottom place in the league table of free equity ratios.

### Dee Corporation

Dee Corporation moves so fast Index funds that what happened as recently as the market took little notice of prehares closed unchanged yesterday

use of extra buying power, streamlined distribution and cut over tinkering with the product before it heads. Last year International finds acceptance.

Stores started to get the treatment. But the main problem is one of with a consequent improvement in size. In order to track the index as margins there, and this year Dee closely as the US index funds do, begins work on Fine Fare. No one the trust would have to invest in a seriously doubts Dee's ability to much wider spread of investments work the same trick again, and it is than its managers intend, and that

can be predicted, although the quality of the earnings increase must be fare fully integrated, but significant savings such as some of the £24m head office costs, will come

Fine Fare is probably Dees's last big acquisition in UK food retailing, but at the same time Dee plans to expand by increasing selling area this financial year from a best of 7m square feet by 1 1/2m square feet. Otherwise growth will come from deals like the US purchases starting with Herman's and no doubt not stopping with M & H. The principle is the same: building the share of a fragmented market and making

The cost to investors of these deals has been a huge overhang of shares and a rise in the test charge from under 10 per cent to the low twenties. Just to maintain earnings per share at 16p Dee would have to report pre-tax profits around £150m this year. And as Dee is confident of a rise in earnings, forecasts centre around £205m. The prospective multiple of 12% looks cheap against Dee's competition, but will probably stay that way for a while.

If River & Mercantile's experience is anything to go by, UK fund tax profits up 29 per cent in the managers and pension fund trus-year to April at £83m, and the tees are a long way from being contees are a long way from being con-vinced about index funds. Having at 230p. But as a demonstration of set itself a tight three weeks to the group's talent at putting busi-nesses together and cutting the cost & Mercantile's decision to postpone the launch of its International In-As familiar names in the high dex Trust until late autumn sug-street have disappeared under gests a lukewarm response. And Gateway fascias, Dee has made full meetings with likely buyers have shown that there must be some

Natwest's decision to capitalise on its gilts position is one reason why the figures beat the analysts' projections. A gilt dealing profit of \$28m\$ is hardly the sort of thing that taking care not to run the risk of could only be done cheaply with a losing control. And as Fine Fare has much bigger fund. If the trust is go not been the most price competitive ing to underperform as much as the supermarket in the past, there is fund managers already do, they room to improve volumes. It may need not fear for their jobs just yet.

\$

# the international tin crisis. The proposals include launching a far-reaching study into forging close links with the separate London Commodity Exchange (LCE), the market for agricultural futures to be completed by next Easter. The LME has more immediate prob-

It is understood that the Price Waterhouse report suggests that the LME, which has been indepenshould see if there would be any gal action and a continuing loss of

LME may link with

commodities market

BY ANDREW GOWERS AND STEFAN WAGSTYL IN LONDON

dent since its foundation in 1877. "commercial advantage" in co-op-erating with the LCE to cut costs, in particular by moving into Commod-

Continued from Page 1

of other countries with racial, eth-

nic and religious tensions.

The South African Government is

clearly eager to focus international attention not only oo its own lim-

the shortcomings of governments in other parts of the world.

Sir Geoffrey set out in a prepared statement what he has been saying

repeatedly to his South African

hosts over the past week. What was

needed was that the South African

THE London Metal Exchange City of London being fitted out for (LME) has been urged to imple the LCE.

Although any decision on a move is unlikely to be made quickly, the fact that it has even been suggested indicates the financial pressures which face both London exchanges house, commissioned in the wake of

lems. It is struggling to recover from the tin crisis which resulted in heavy losses, the withdrawal of several traders from the market, leconfidence by customers.

Botha rejects EEC 'interference'

### Brussels offers truce in pasta war with US

cline to 12 per cent of gross domes- the efforts of the Bank of Italy to

tic product (GDP) compared with 14 move from a system of direct credit

BY TIM DICKSON IN BRUSSELS

ghetti war with the US. In an unex-pected development, Mr Willy de Clerc, the EEC's Trade Commissioner, telephoned Mr Clayton Yeutter, the US trade representa-tive, to spell out the details of his interim proposal. The US promised to

give a rapid response.

The EEC initiative came just ahead of tomorrow night's informal deadline after which the US has threatened to step up retaliatory action. Although progress has been made during the last few days of negotiations, the EEC believes that the two sides are still too far apart to page 48 to reach agreement in the next 48

The confidential Price Waterparticular by moving into Commod-ity Quay, a new office block in the management of the LME.

In short, each side needs to

make an offer that the other cannot refuse," he said. Such an approach

would reflect the mandate given to

him by the European Council in The Hague at the end of June. "It would offer the possibility of sub-stantial and tangible progress with-out which further measures against

South Africa are likely to be taken

in one forum or another in the next

Sir Geoffrey added that "the

sive network of trade arrangements with Mediterranean countries. Last June the US imposed substantially higher duties on EBC pasta, a move which was followed shortly afterwards by an EEC decision to raise its duties on US walnuts and fresh

> The new EEC proposal to buy more time for the negotiators is designed to overcome one of the ma-jor sticking points in the dispute. So far the US has refused to meet a key European demand not to chal-lenge the Mediterranean agree-ments in future, on the grounds that some of these are currently be-ing renegotiated. The EEC points out that the period of its truce will provide time for the final terms to be settled

**Baldrige says** 

The dispute arose through the US

# shapes up

By Philip Bassett in London

themselves fully into the Japanese age under the single-union agreement announced yesterday by Komatsu, the earth-moving company, which stipulates for the first time in a UK-based Japanese company that employees must take part in daily physical exercises at the workplace. Physical jerks to music are commonplace in many factories in Japan but, so far, Japanese companies setting up in the UK have shied away from introducing them in Britain, believing that while many of their own industrial practices can be transplanted, compulsory work-

be transplanted, compulsory work-place exercises are too alien to Brit-

ed at Komatsu's new plant at Birt-ley, Newcastle-on-Tyne, will be re-quired to perform five minutes of daily exercise before work starts when the plant becomes fully oper-ational early next year. Preliminary staff employed there now are al-ready exercising.

Dr Clive Morton, director of per-

sonnel at Birtley, said his original judgement had been not to intro-duce exercises, but after seeing them in practice in Japan he thought they offered positive benef-its - not just in terms of fitness and morale, but in terms of avoiding accidents as well.

ing its production workers - 3,000 have so far applied for jobs with the company - to exercise may be diffi-cult, but Dr Morton said: We think

Though final details are still to be

worked out, the agreement is likely to be a strike-free deal, featuring the pendulum arbitration strike substitute mechanism, now in place at other UK-based Japanese companies such as Nissan, Hitachi, Sanyo and Toshiba.

flexibility, single employee status, including full uniforms and a single

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# lease Mr Mandela and other politi- all the people of South Africa will World Weather

Government should agree to re-blunt truth is thet, sooner or later,

### Paris agrees satellite plan

ing. The woman can be blamed for

making him try."

Mr Kinnock claimed that, from the outset, the Foreign Secretary's

mission had been an obvious delay-

ing tactic. By adopting such an approach, Mrs Margaret Thatcher had damaged the Commonwealth and the Commonwealth Games

"and made Botha feel stronger."

ment doubts over the viability of

on the French satellite.

launch a three-channel DBS venture. The Independent Broadcast-ing Authority (IBA) has already advertised for applicants to run a three-channel franchise. It looks as if there could be as many as four serious applicants for the franchise.

### Mr Denis Realey, Labour's for-eign affairs spokesman, said that the world was "sick and tired of procrastination" and would now demand immediate action.

Continued from Page 1

Although Mr Chirac decided to go ahead with the controversial project yesterday, his Government is expected to renegotiate the concessions to operate the four channels

Raymond Sueddy in London writes: The French decision is likely to stimulate Britain's hopes to

### Japan must number of "elemeots" which he said "obstruct us in using this key." They include the question of punitive action against other countries which differentiate between racial and ethnic groups, the release of political prisoners in other parts of the world and the linkage of South Africa's problems to those of South Africa's problems to those cut trade gap Continued from Page 1 alists and leaders of this country

alists and leaders of this country to back up the Prime Minister'e
words with real action," Mr Baldrige said yesterday. "We must uproot the barriers deeply buried to
private business relationships and
traditional practices. I realise the
difficulties involved, but the alternattings are upwer." atives are worse." Mr Baldrige said he had been

looking for rapid progress on three areas of trade friction between the two countries - semiconductors, civil engineering project procure and motor components.

He seemed optimistic about a resolution of the long-running semiconductor dispute by tomorrow night's deadline and was content with assurances from the Prime Minister, Mr Yasuhiro Nakasone, that foreign machinery suppliers would be allowed to bid on equal terms to supply goods for the \$8bn Kansai airport project near Osaka. Talks on motor parts trade were still at an early stage.

He reminded the businessmen that the US was not alone in complaining about Japan's trade behaviour. The European Community, Taiwan and South Korea had all taken action against Japan recent-ly, all because they did not have the access to Japanese markets that Japan had to theirs.
"As the acknowledged benefi-

ciary of the Gatt system, the Japanese people must decide if Japan will also continue being the major problem in the system," Mr Baldrige said. Japan's trade behaviour also meant that it was not carrying its share of international responsibili-

## SECTION II - COMPANIES AND MARKETS

# **FINANCIAL TIMES**

French

to draw

shortlist

By Paul Betts in Paris

up sell-off

THE FRENCH Government will

launch its ambitious privatisa-tion programme by drawing up in the coming months a limited list of state companies to be de-

The conservative administra-tion of Mr Jacques Chirac, the neo-Gaullist prime minister, is expected to select two to three

state sector companies to kick off the denationalisation process.

The other state sector companies

will continue to be managed as nationalised groups until their privatisation, according to senior French Finance and Economy

The first companies to be privatised are likely to be the Saint-Gobain glass and pipes group in the industrial sector and Paribas, the leading French merchant bankers, in the banking sector, according to French industry and banking sectors.

The third group is likely to be drawn from one of the three

large state insurance companies due to be privatised, including UAP, AGF or GAN.

The French Government has

already indicated that the priva-tisation process will be directed by the Government and not by

Balladur, the Finance and Economy Minister, is expected to make this clear at a meeting next

Friday with the chairmen of the

country's 24 largest industrial, banking and insurance groups

named by the Government last

Ministry officials.

hanking sources.

Wednesday July 30 1986



SPECIAL CHARGES HIT US STEEL GROUP

# Armco suffers further setback

BY TERRY DODSWORTH IN NEW YORK

ARMCO, the struggling US steel company, suffered a further serious loss in the second quarter of this other potential expenses that would other potential expenses that would be set as a set aside a total of \$235m for its share of the debt and other potential expenses that would be set as a set aside a total of \$235m for its share of the debt and other potential expenses that would be set as a set year when it was hit by a new he incurred by the jointly-held mining company, Reserve Mining, if it was cost of rationalising its business. Armoo's net loss for the period amounted to \$384.7m, or \$5.88 a share — more than half of its sales share - more than half of its sales

In the same period last year, the group lost \$25.7m on sales of \$784.8m.

The figures were heavily affected ture with Armco to produce taconite iron ore pellets in Minnesota.

**Swissair** 

earnings

plunge in

first half

By John Wicks in Zurich

SWISSAIR, the Swiss national air-

line, incurred a gross carnings de-cline of more than half in the first

six months of this year to SFr 83m

(\$51.8m) compared with SFr 174m

in the same period last year. However, Swissair said the Janu-

ary-June gross profits figure was "exceptionally favourable" last year, adding that the latest earn-ings were on a par with first-half re-

sults of "other years of this decade."

less than SFr 1.97bn. At the same

time, total costs depreciation were down SFr 90m to almost SFr 1.89bn.

Ordinary depreciation charges fell

Although there was a rise in over-all scheduled capacity of 6.4 per

cent and a 14 per cent increase in traffic volume, the total number of

passengers fell slightly from 3.57m to 3.56m.

performance" primerily to the de-cline in the US dollar, which added

some 30 per cent to the cost of trav-

well as constraints on Middle Eastern traffic imposed by the low oil

price. In general, however, business

traffic was said to have remained encouraging.

A number of measures have been

undertaken by the airline, particu-

larly in the tourist sector, to stimu-

late demand. Swissair said there were indications that business

would pick up in the current second

balf and hoped to close 1986 on a satisfactory note.

Maxicare pays

**HealthAmerica** 

MAXICARE HEALTH Plans, a Los

Angeles-based bealth maintenance company, has paid \$400m for full control of HealthAmerica, a finan-

cially weaker competitor in the same industry which is based in Washville. If the merger goes

through it would create one of the

largest companies in the health maintenance sector, with revenues

of over \$1bn a year and a member

ship in excess of 1m. Health maintenance, which has

been growing in the US as health

costs have soared in recent years, offers members an all-in service of

health care at a price fixed in ad-

Maxicare has successfully moved into the New York area, and has

succeeded in signing up several leading hospitals for its health maintenance plans. The company

has been growing rapidly, adding some 200,000 subscribers since last

September to reach a total of about

850,000. It earned \$20m on revenues

HealthAmerica yesterday report-ed a loss of \$962,000 on revenues of

\$157.3m for the second quarter. compared to a \$3.48m profit for the

same period last year. The compa-

ny blamed its poor performance on

an unspecified write-down on part-

nership interests. HealthAmerica

has had difficulty controlling cost

growth despite rapidly growing

of \$512m in 1985.

\$400m for

By Our Financial Staff

MAKE

el in Europe by Americans. Business was also adversely affected by the fear of terrorism and the after-effects of Chernobyl as

Swissair attributed this "sluggish

by SFr 3m to SFr 133m.

group's cilfield equipment business, and the loss also includes a \$42m; deficit on the sale of several fabri-

In the first six months, the net by the recent bankruptcy filing of loss amounted to \$447.8m, or \$5.83 a LTV, the country's second largest share, on sales of \$1.34bn, comsteelmaker, which has a joint venpared to a deficit of \$52m, or 83 cents a share on sales of \$1.55bn in the same period of 1985.

Mr Robert Boni, chairman, called the LTV bankruptcy a "grim reminder" of the plight of the US steel industry in general. But he told shareholders that Armco was "holding its own" because of the strong demand both the automotive and electrical

The group was now nearing the end of an intensive 18-month period of down-sizing and divestment and had generated about \$100m recently from the sales of its construction products business and other small

steel markets.

division made a profit of \$20.3m or sales of \$395.5m in the quarter, while special steels generated profits of \$13.5m on sales of \$149.4m.

Capacity utilisation rose to an av erage of 85 per cent for the period against 83 per cent last year, while production increased to 1.44m tonnes of steel against 1.39m in 1985. Shipments, however, fell to 1.08m tonnes from 1.14m tonnes.

In the oilfield equipment seg-ment, hard hit by the plunge in oil prices, the group suffered operating losses of \$9.9m on sales of \$59.4m. A year ago it made a slight operating On an operating basis, before interest and tax, Armoo's carbon steel this business.

# Global Marine reports \$122m

Total revenues fell by SFr 181m in comparison with the first six months of 1985, dropping to just office space.

Mr C. Russell Lnigs, Global's chief executive, said if market conditions persisted, the company would consider further measures

rigs. Global Marine's slumped by 45 per cent to \$51.7m in the latest three months. For the six months, revenues fell by more than a third to \$134.9m. The company lost \$148.8m in the first half of the current year compared with a loss of \$72.8m in the same period last

ond quarter related to the company's decision to release the semisubmersible rig Glomar Arctic 11 to and said its creditors had taken possession of one of its big semi-submersible drilling rigs, which resulted in a \$75m write-down.

The company which file and see the contract of the last annual report the rig was on contract to Mobil in the North Sea.

Global Marine has also written down its oil and see the contract of the last annual report the rig was on contract to Mobil in the North Sea. The company, which filed for pro-tection under Chapter 11 of the US changed at \$1 in early trading yes-

> one of the most modern drilling rig fleets in the offshore oil industry. The company expanded rapidly in the early 1980s as oil prices peaked. the early 1980s as oil prices peaked.
>
> The size of its fleet more than trebled to over 30 rigs. However, as that better petrochemical results that better petrochemical results and the contractions of the contraction of the drilling activity has fallen, the company has come under increasing pressure from the bankers which financed its rapid expansion.

Global said yesterday its cash and short-term investments totalled \$102m at end-June, which was \$12m higher than the figures at the end of 1985 and \$10m up on the end of the second quarter.

Most shares in the new compa

Mr Hyman said that the merger

brings together two complemen-tary businesses and positions the

new company as a real force in the

corporate Bell & Hyman's school textbooks and English language teaching books, together with Allen & Unwin's academic division.

British publishing has seen

wave of mergers over the past few years as houses have grappled with the demands of a more internation-

al market and much more agressive

Mr Hyman acknowledged that

George Allen to merge

with Hyman publishers

The \$75m write-down in the sec- \$35.3m, or 74 cents. This took the six-month total to \$62.5m against \$52.9m previously, or from \$1.06 to \$1.28 per sbare. Revenues for the six months

reached \$1.78bn, up from \$1.26bn, with a \$127.1m rise in the latest quarter to \$900.8m. The 1985 figures included only two months of operations at McGraw-Edison, which was

acquired in May last year. For the whole of 1985 Cooper lift-ed profits to \$135m, on sales of \$3.06bn, from \$107m, on sales of

partly offset declining oil and gas prices in the first half. Net profit was CS63.3m or 18 cents a share, against C\$82.3m or 15 cents on revenues of C\$1.43bn against C\$1.68bn.

• CL, the Canadian arm of ICI of Britain, felt strong downward pressure on fertilisers and farm chemicals business in the first half and he second quarter.

this was only partially offset by strength in chlorine and other pulp

# loss as drilling activity falls

BY OUR NEW YORK STAFF

GLOBAL MARINE, the big US offshore drilling contractor which owes more than \$1bn and is fighting for survival, yesterday reported a second-quarter loss of \$122.6m

bankruptcy code in late January, said it had taken additional measures to conserve cash as the offshore drilling market had continued to worsen. These included reducing rig operating expenses, slashing capital spending, cutting staff at corporate beadquarters and all subsidiaries and consolidating

ncluding the release of additional

UK book publisher with titles in-cluding J.R.R. Tolkien's best seller

Lord of the Rings, is to merge with Bell & Hyman, publisher of Samuel

Pepys diaries, to create one of Brit-ain's largest independent pub-lishing houses.

man of the combined group, hand-ing over control to Mr Robert Hy-man, head of Bell & Hyman and

managing director of the new com-

Mr Unwin said yesterday that he had no desire to follow the example

of his father, Sir Stanley Unwin, the founder of the firm, who re-mained in charge until his death at

Mr Hyman, his 54-year-old chos-en successor, formed Bell & Hyman

en successor, formed ben & ryman in 1977 to buy George Bell & Sons, which had been one of the great names of 19th century British pub-lishing but had diminished in size.

It has enjoyed a revival under Mr Hyman 2nd last year made pre-tax profits of £315,000 on turnover of

Allen & Unwin had a turnover

last year of £9m but Mr Unwin said

yesterday that he could not single out a figure for publishing profits or

losses from the group's other activi-

US maker of equipment including and paper industry products and compressors for the oil and gas industry, marginally improved net CSIBm or 99 cents a share against profits in the second quarter to profits in the second quarter to C\$25m or C\$1.60 a year earlier on \$36.7m, or 75 cents a share, from shares of C\$711m against C\$658m.

# Compaq gains

competition

GEORGE ALLEN & UNWIN, the win's investment, property and lea-UK book publisher with titles in-cluding J.R.R. Tolkien's best seller as family interests. COMPAQ, the leading US maker of IBM-compatible personal compu-ters reported a 70 per cent earnings gain for the second quarter despite - to be named Unwin Hyman - will he held by the Unwin and Hyman increasing competition from low-cost clones. families. However, Hambro Group

The merger of the two privately-owned houses is the brainchild of man in 1977, will subscribe £875,000 Net income rose to \$9.6m, or 31 cents per share, up from \$5.7m, or 18 cents per share. Sales were \$147.1m, a 24 per cent increase over Mr Rayner Unwin, 60-year-old for 10 per cent of the equity, which chairman of Allen & Unwin, who will bring its holding to 35 per cent will become non-executive chair-of the new company. sales of \$118.9m for the second querter of 1985.

Net income for the first six months of 1986 was \$16m, or 57 cents per share, compared with \$10.3m, or 36 cents per share, in the first six months of 1985. Sal the six-month period were \$291.1m, up from \$215.9m last year.

About half the new group's sales will come from general trade publishing, including many of the works of Tolkien, Pepys' diaries, adult non-fiction (with particular Compaq attributed its continuing success to growth in demand for high-performance personal compustrengths in crafts, design, sports and gardening) and Unwin's paper-back list. ters from experienced computer users. This sector of the US personal computer market has been less se-The other 50 per cent will com-prise educational publishing and inverely affected by competition from

foreign-made clones.
Industry analysts said, bowever, that competition was increasing at the top end of the personal compu-

### Lufthansa and Iberia open charter talks

By David Brown in Frankfurt

LUFTHANSA, West Gemany's national airline, and Iberia, the Spanish state-owned carrier, have begun negotiations aimed at forming a new charter airline.

The proposed company would he ased in Spain and would initially fly between four and 11 aircraft on European routes. A spokesman for

enture is to gain access to more Some of the new airline's aircraft

might be purchased from the cur-rent fleet of Condor, Lufthansa's charter carrier

would be limited to a stake of no more than 25 per cent in the new

# Chase and Merrill Lynch sell peripheral units after big gains

BY WILLIAM HALL IN NEW YORK

CHASE MANHATTAN Bank and Merrill Lynch, two leading New York financial institutions, yesterday reported substantial gains on the sale of peripheral activities which do not fit in with their longterm strategies.

Merrill Lynch, the leading US brokerage firm, said it had entered into a letter of intent to sell a portion of its leasing operations to In-spiration Resources, a diversified natural resources group which was formed from Hudson Bay Mining & Smelting. If the sale goes ahead, Merrill Lynch sald that it would book an after tax gain of at least

Chase said that it was selling most of the business of its Compu-

ment buy-out organised by Merrill leveraged and other leases, cover-Lynch Capital Partners.

Chase will receive \$120m in cash plus securities and warrants in the tax gain of \$60m. Computer Power is the largest third party provider of data processing services to the mortgage banking industry.

Mr Robert Douglass, Chase's vice chairman, said that Computer Power had made a valuable contribu-tion to the bank over the years, but did not play an integral role in Chase's long-range strategies.

Inspiration said yesterday that it

ter Power subsidiary in a manage unit holds a high-quality portfolio of ing a wide range of industrial and commercial customers, Inspiration said that the acquisition would enable it to increase its cash flow and

The stock of MLL would be held in a non-consolidated leasing subsidiary and the transaction :s scheduled to close during the fourth quarter of 1986 and is subject to be gonation of definitive documents

Merrill Lynch's shares slipped by \$14 to \$431; in early trading yester-day, while Chase shares fell by a similar amount to \$3814. Inspiration was buying Merrill Lynch Leasing Resources' shares were unchanged (MLL) for an undisclosed sum. The

# Nixdorf expects strong profits

BY OUR FINANCIAL STAFF

NIXDORF, the West German computer group which came to the stock market two years ago, ex-pects to turn in strong profits for 1986 following buoyant sales and orders for the first six months.

Turnover for the balf year rose by 18 per cent to DM 1.8bn (\$857m), while order intake at the end of June stood at DM 4.5bn - a gain of 15 per cent.

The present level of orders would enable Nixdorf to sustain its performance over the rest of the year, Mr Klaus Luft, chief executive, said in

The group was aiming for a full year rate of growth that would outpace the world computer industry average and allow Nixdorf to clear-

by surpass' last year's net profit of DM 172m. Mr Luft said his company, which is listed in Switzerland as well as Mr Balladur suggested that after the list of the first companies to be privatised was established, the chairmen of these companies West Germany, would at some fu-ture date seek admission to the ulted on the priva-London stock market. No capital

on additional physical assets. The The Nixdorf management confirmed that the group had recently won a \$100m order to supply pointof-sale terminal computers to the

US retailing chain, Montgomery Ward, the sixth biggest American stores group, owned by Mobil Oil. Nixdorf's sales for the first ball of 1986 bad been checked by the ed" information system supplier strength of the D-Mark, the compa- with the ultimate objective of be-

But for adverse currency movements the rise in international turn- substantially so, Mr Luft said. over would have been closer to 18

per cent, Mr Luft said. For 1985 group sales totalled DM 3.93bn and net profits at DM 172m were 43 per cent up on 1984. As a result, Nixdorf increased its dividend

by DM 1 a share to DM 10.

Mr Luft underlined the group's plans for cootinued expansion, Research spending was rising fast, and Nixdorf was spending beavily

group payroll was also growing.

Over the first half of 1986, research and development spending rose by 9 per cent to DM 195m to a level where it accounted for around

10 per cent of total sales. Mr Luft said Nixdorf aimed to extend its load as a "solution orientat-

ny said. Turnover in Germany rose
by 29 per cent to DM 974m, while
foreign sales could manage only an
8 per cent gain to DM 870m.

Communications
communications
iechnolog
communications
iechnolog To attain this "ambitious goal" expenditure in new software and would have to be raised further and

In the meantime, staff numbers were rising with an increase in payroll of 1,270 to 24,560 over the first balf of this year. Plant extensions had been made in Germany, Ireland and Singapore.

Mr Luft explained that a computer manufacturing unit would be opened in Berlin before the end of November. There were plans for new buildings in Paris and London.

JULY 1986

### This announcement appears as a matter of record only.

**NEW ISSUE** 

would be con

tisation of their groups.



U.S. \$50,000,000

### **Marubeni Hong Kong Limited**

丸紅香港有限公司

(Incorporated with limited liability in Hong Kong)

8½ per cent. Deferred Coupon Bonds due 1991

Issue Price 101 per cent.

**New Japan Securities Europe Limited** 

Citicorp Investment Bank Limited

Fuji International Finance Limited

**Bank of Tokyo International Limited** 

Bank of China

**IBJ** International Limited

Kleinwort Benson Limited

Morgan Stanley International

Okasan International (Europe) Limited

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### West German banks sell Nova-Park hotels

es.

yesterday's deal was, in a small;
The merger does not include Unway, part of this process.

A GERMAN banking consortium headed by Westdeutche Landesbank has disposed of the Nova-Park hotel properties in New York and Paris for a total of some \$69m.

The consortium took over the former Gotham Hotel in Manhattan and the Nova-Park Elysées in Paris after the bankruptcy of Nova-Park the former international luxury hotel group set up by Mr Rene Hatt,

which was never finished despite a it Lyonnaise, the Parisian bank. \$100m investment has been sold for The hotel was sold via an affiliate of \$35m to Imperials hotels, the Amer- DAL, the West German leasing ican property and hotal group.

BY OUR ZURICH CORRESPONDENT Imperial Hotels, a consortium the members of which include the Texas-based Pratt Hotel Corporation and the property firm Southmark, is to spend a further \$40m on completing the houry Gotham on Fifth

The Nova-Park Elysées, which had become famous as one of the world's most expensive hotels, has gone for a price of FFr 235m (534m) to Societé Lyonnaise d'Etudes d'In-The Gotham, the rebuilding of vestissements, a subsidiary of Cred-

the two airlines said It was too early to say how many routes would he covered or passengers carried. Lufthansa's chief interest in the Soanish routes

Under Spanish law, Lufthansa

## BARCLAYS

### **BARCLAYS OVERSEAS** INVESTMENT COMPANY B.V.

U.S.\$200,000,000

Guaranteed Floating Rate Notes due 1995 Convertible until January 1988 into 9½% Guaranteed Bonds due 1995

Notice is hereby given that the Rate of Interest for the Interest Period from 31st July, 1986 to 30th January, 1987 is 6', per cent. per annum and that on 30th January, 1987 the amount of interest payable in respect of each U.S.\$5,000 principal amount of the Notes will be U.S.\$174-74 and in respect of each U.S.\$10,000 principal amount of the Notes will be U.S.\$349.48. The right to convert during this Interest Period is not exercisable from 9th January, 1987 to 30th January, 1987.

Barclays de Zoete Wedd Limited 30th July, 1986 Agent Bank

### CITICORP BANKING CORPORATION

(Incorparated with limited liability in the Netherlands Amilles)
U.S.\$50,000,000 Floating Rate Notes due July 29, 1991 CITICORPO

Notice is hereby given that the Rate of Interest for the period July 29, 1986 to October 29, 1986 has been fixed at 6.7% and that the interest payable on the relevant Interest Payment Date, October 29, 1986 against Caupan No. 1 in respect of US\$10,000 nominal of the Nates

July 30, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANKO

### US\$ 100 000 000.---

### Credit Suisse Finance (Panama) S.A.

11¾% Guaranteed Notes, Series A, due 1992

100 000 Warrants to subscribe

US\$ 100 000 000.— 1134% Guaranteed Notes, Series B, due 1992

NOTICE IS HEREBY GIVEN, pursuant to the Terms and Conditions of the captioned issues, that USS 3 009 00 principal amount of Series A Notes have been drawn for redemption at 101% of their principal amount The serial numbers of the 3 000 Series A Notes of US\$ 1 000 each, drawn for redemption and representing US\$ 3 000 00

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145 4577		13027	17443	22074	23022	26782	11144	12227	40370	44105	27416	51579	54194	44007	42848	47544	71825	75147
184 4516		11417		22066	25580	28845	11514	34748	40175	44307	41114	31404	53211	57143	53084	47549	77026	75148
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447 4784	7107	13545	17428	22131	25344	27416	3546 L	34851	49838	44141	48341	31753	55540	54388	63227	47454	72417	75592
448 4005		13547	17705	<b>55119</b>	25431	27659	33447	14852	44837	44370	48354	31 744	35783	57420	63246	47470	71624	75553
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1156 5221	7361				25748	24829	53487	37232	41235	64447	48448	52248	56225	57673	65530	60173	71922	75854
1214 0234	7467		10139	21204	23644	27838	31 780	37230	41257	64730	34494	52212	56254	59872	43476	68174	73146	78106
3219 5247	9470			22571	25881	24851	33781	37248	41260	44739	48422	52218	56277	59097	45724	48175	71959	75450
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The Note: drawn for redemption will become due and payable on September 2, 1986 together with accrued interest for the period from February 17, 1986 to September 2, 1986. On and after September 2, 1986 the Series A Notes so redeemed shall cease to bear interest.

As of this date, the outstanding principal amounts are:

Series A Notes: US\$ 14 000 000.-Series B Notes: US\$ 86 756 000.-

Zurich, July 50, 1986

CREDIT SUISSE

# INTERNATIONAL COMPANIES AND FINANCE

### N. AMERICAN RESULTS

7 10, 72217					
ANCHOR HOCKING Glass tableware		_	SOICER Household products		
Second quarter	1935	1985	Second querter	1986	1985
Revenue	192.3m	178.5m	Revenue	417.5m	356.3
Net profits	2.550	2.08m	Op. net profits	3.4mt	8.75
Net per share	0.24	0.2	Op. net per share	9.21	0.4
Revenue	385.6m	3520	Revenue	798	717.3a
Net profits	2 97m	4.59m	Og. get profits	11.10	21.5a
Not per shero	8.28	0.45	Op. net per share †Loca	0.44	1.0
INT ORCUP					
Advertising			TELERATE Business information sys	rie ma	
Second quarter	1984	1985	Second quarter	1988	1986
Revenue	160.0m	141.5m	Roversuo	5Llm	39.1
Net profits	5.84	5.8m	Net profits	10.10	8.20
Net per shere	0,82	0.82	Net per shere	0.19	
Six months			Siz months	0.19	0,1
	200	907 See			

2	0.82	Net profits	10.1m	8.2m
31	267.5m	Siz months		
7	<b>Our</b>	Revenue	149.4m	106.7m
4	0.65	Net profits	27.7m	25.1m
•		Nat per share	0.82	0.57
_	1985	TRANSCO EMERGY Energy		
	C\$ 255.2m	Second quarter	1986	1985
:	11.2m	and the second second		
:	0.28	Revenue	541.Eng	228.93a
•	0.24	Net profits	65.6mt	25.7m
	396.4m	Not per share	2.621	1.02
	14.9mt	Revenue	1.95ba	1.8bs
	0,441	Net profits	45.6m†	57.2m
		Net per share	1.821	2.24

UNION PACIFIC Energy, neutral resource	9	
Second quarter	1986	1985
Revocus	1.600	1.955
Net profits	110m	132
Net per share	0.95	1.1
Savenoe	1.4300	3.82
Net profits	213m	246m
Net per altere	1.83	2.04
USF & Q		2.04
USF & Q	1988 8	1985
traf & 0. Property and casually les Second quarter Revenue	1988 8 1,080s	1985
ETSF & G Property and casualty les Second quarter Revenue	1988 8 1,00bs 62,7m	1965 8 861,8m
Property and casually les Second quarter Revenue	1988 8 1,080s	1985 8 861,8m
USF & C. Property and cosmitty les Second quarter Revenue	1986 8 1,00to 52,7m 6,82 2,55bn	1965 8 861,9mt 66,9mt 0,811
USF & Q. Properly and casually les Second quarter Revenue	1986 3 1,00m 52,7m 6,62	1965 8 861,8m 66,9m1 0.811

WHEELING-PITTSEUR	OH	
Second quarter	1988	1965
Revenue	245.3m	245.6m
Net profits ,	60,3mt	50,121
Not per store, Six months	12.211	10.12
Revenue	465m	486.6m
Not profits	58.3mt	73.9rm
Net per share †Loss	11,851	15.64

### SOCIETE GENERALE S US 50.000.000 FLOATING RATE **NOTES DUE 1991**

For the three months, July 21, 1986 to October 20, 1986, the rate of interest has been fixed at

The interest due on October 21. 1986 against coupon nr 29 will be S US 17.41 and has been computed on the actual number of days elapsed (92) divided by 360. THE PRINCIPAL

PAYING AGENT SOCIETE GENERALE ALSACIENNE DE BANQUE 15. Avenue Emile Reuter LUXEMBOURG

### Bid for Hiram Walker oil unit

BY ROBERT GIBBENS IN MONTREAL

INTERPROVINCIAL (IPL) an energy group which operates the trans-Canada oil pipeline from Alberta to Montreal, is makall the shares of the Home Oil Com- analysts regard the price as high pany, a fully owned subsidiary of Hiram Walker Resources.

Hiram Walker is the energy and distilling group acquired earlier this year by the Reichmann Brothers of Toronto through their Gulf Canada subsidiary. During the C51bn takeover battle, the Hiram Walker management agreed to sell the liquor business to Allied Lyons for CS2.6ba - a move still being contested by the Reichmanns in the Cana-

The IPL offer for Home Oil, a

### DEC ends year with jump in earnings

By Our New Yark Staff

DIGITAL EQUIPMENT (DEC), second-largest computer manufacturer in the US, achieved a 38 per cent increase in earnings in its fiscal year to June, underscoring the turnround in its fortunes over the last

In the final quarter of the year, DEC's recovery was even more marked, as it generated a 138 per cent increase in earnings to \$238.6m, or \$1.81 a share, against \$100.4m, or \$3 cents a share, in 1985. Revenues climbed to \$2.18bn from \$1.85bn.

For the full year, net income rose to \$617m, or \$4.81 a share, against \$447m, or \$3.71, a year ago. Revenues rose to \$7.59bn from \$6.69bn. Mr Kenneth Olsen, president, said the group was now seeing the pay-off from an enormous invest-

Pipeline western oil and gas company with sizeable coaventional oil reserves, did not surprise analysts. Both Hiram Walker and IPL have had cross ing a CS1.1bn (US\$797m) offer for share holdings since 1983. However, since it values Homa's reserves at

about C\$5 a barrel. IPL has been looking for an acquisition to give it a large production base for several years and buying Home Oil will provide this. Hiram Walker took about 34 per

cent ownership of IPL and IPL about 16 per cent of Hiram Walker in 1983, and Imperial Oil became the second largest stockholder. This was done to give IPL access to cer-tain energy industry incentives. IPL will pay about half the pur-

### Shannon, southern Ireland. Kodak slides into deficit following \$168m charge

BY OUR NEW YORK STAFF

EASTMAN KODAK, the world's cluding special charges, increased during the second quarter," he said. largest maker of photographic prod-ucts, reported a second-quarter loss of \$12.2m after taking a \$167.8m after-tax charge to cover the cost of job cuts and stock write-downs.

The loss, equivalent to 6 cents a share, compares with first-quarter earnings of \$48.6m, or 22 ceats a share, and earnings of \$164.3m, or 72 cents a share, in the second quar-

For the first half of 1986 Eastman Kodak earned \$36.4m, or 16 cents a share, compared with \$279.5m, or \$1.22 a share, in the first half of

Despite the decline in earnings, Mr Colby Chandler, the group's chief executive, was optimistic about the outlook. Higher sales and greater unit volume were recorded throughout the first half of 1986 and operating earnings, ex-

chase price for Home Oil through redemption of its 13.6m class D preference shareholding in Hiram Walker, and the balance with a variable rate debenture and cash. The sale excludes Hiram Walk-

er's remaining US oil and gas as-sets but includes a 26 per cent interest in a small Canadian oil and gas

• Pacific Western Airlines of Calgary, Canada's third largest airline, has completed a C\$255m financing for 16 of its Boeing 737-200 aircraft with a banking syndicate managed by Midland Bank of the UK. About CS181m will be repaid from proceeds of a pre-arranged sale of aircraft to Guinness Peat Aviation in

These improvements renew our confidence that such earnings for

the full year will show solid gains

compared with 1985. We continue to

look forward to solid performance

improvements
In the imaging segment, Eastman
Kodak's sales rose 12 per cent to
\$2.2bn in the second quarter. US

sales rose by 3 per cent to \$1.19bn,

while overseas sales rose by 28 per cent to \$803.5m.

The company said that the photo-

graphic products group showed "solid second-quarter gains" led by Kodacolor film in the 35mm format

and photographic papers. "Strong sales gains in the commercial and

information systems group were

paced by increases in copier-dupli-cator revenues and business imag-

Arco sees profits fall 63%

ARCO, otherwise known as Atlantic Richfield, reported a 63 per cent drop in second-quarter net income to \$150m. The company also announced a regular quarterly dividend of \$1 a share, although it was not covered by second-quarter care

ings of 83 cents a share. Mr Lodwrick Cook. Arco's chief executive, says that "the continued deterioration of crude oil prices was the principal factor in the decline in income from continuing opera-tions. During the early days of the third quarter oil prices had slipped

even lower.

There is no question that earnings will be depressed further if prices remain at current levels. However, we do not believe that current pricing will likely extend very far into 1987 and we continue to believe that there is some chance that we will have some price im-

For the first six months of 1988 Arco earned \$449m, or \$2.47 a share, compared with a net loss of 5747m, or \$3.33 a share, in the same period of 1985. The second quarter of 1985 included a \$1.5bm charge against earnings to cover a restruc-

turing of the group's busine Arco's average price for domestic crude oil fell to \$7.02 a barrel in the second quarter of 1988 As a result, the group's workiwide

oil and gas operations reported a Sim loss in the second quarter, compared with after-tax earnings of \$303m in the same period last year. However, falling oil prices benefried the group's downstream opera

**NEW ISSUE** 

This Stock having been sold, this announcement appears as a matter of record only,

ing products."

JULY 1986

1,000,000 Shares

### **Student Loan Marketing Association**

Nonvoting Common Stock

(par value \$ .50 per share)

**Credit Suisse First Boston Limited** 

Daiwa Europe Limited

**Deutsche Bank Capital Markets Limited** 

Union Bank of Switzerland (Securities)

S.G. Warburg Securities

This announcement appears as a matter of record only

## 128,000 Units at \$25.50

(2 shares + 1 warrant)

### **MEMORY** METALS INC.

The above units have been placed privately with institutional clients of

American Equities Overseas Inc.

### Inter-American Development Bank 123% Loan Stock 2003

Pursuant to the Purchase Agency Agreement relating to the above issue, this notice confirms that none of the above stock was purchased and cancelled during the six months to, and in respect of the Purchase Year ending, July 8th, 1986.

### Baring Brothers & Co., Limited

Purchase Agent

Inter-American Development Bank

July 30th, 1986



A\$ 50,000,000 Extendible Depositary Receipts due 1989/1992

issued by The Law Debenture Trust Corporation p.t.c. evidencing entitlement to payment and interest on deposits with

### MONTE DEI PASCHI DI SIENA

(A Public Law recognised Bank in the Republic of Italy)

Singapore Branch

CIBC Limited

Banca del Gottardo

Bank of Tokyo International Limited Banque Indosuez Baring Brothers & Co., Limited

Creditanstalt Bankverein Den aorske Creditbank Genossenschaftliche Zentralbank AG Vienna

Berliner Handels-und Frankfurter Bank

Merrill Lynch Capital Markets Nomura International Limited Rabobank Nederland

S.G. Warburg & Co. Ltd Sumitomo Finance International Wood Guady Inc.

Italian International Bank Plc (Floore dei Parchi di Sissa Bustung Group)

Bank Mees & Hope N.V. Banque Bruxelles Lambert S.A. Banque Nationale de Paris Bayerische Hypotheken-und Wechsel-Bank Aktiengesellschaft County Bank Limited Crédit Lyonnais Daiwa Earope Limited Kredietbank International Group

The Nikko Securities Co., (Europe) Ltd Prudential-Bache Securities International Security Pacific Hoare Govett Limited Standard Chartered Merchant Bank Limited Union Bank of Switzerland (Securities) Limited

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Yamaichi International (Europe) Limited

### INTERNATIONAL COMPANIES and FINANCE

### Bridgestone earnings decline at six months

By Yoko Shibata in Tokyo

BRIDGESTONE, Japan's largest

The poor performance by the parent company was attributed to the yen's appreciation, which slashed revenues from its exports to the US, Canada and Australia. In addition, the collapsa of the crude oil price pared purchasing capability in the Middla Eastern countries.

1

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uni priudit

13.74

Domestic sales of tyres, chemical products and sporting goods rose 2 per cent to account for 74 per cent of tha total turnover—exports fell 24 per cent. In the six months, the yen averaged Y175 to the dollar. The company said that, given a level of around Y160 for the rest of the current year, its rest of the current year, its full-year pre-tax profits are ex-pected to fall by 17 per cent

pected to fall by 17 per cent to Y33bn.
Full-year net profits are pro-jected at Y12bn, down 30 per cent, on turnover of Y555bn, a drop of 7 per cent from the previous year. Bridgestone plans to maintain the per share annual dividend of Y10.

# Carnegie to resign as CRA chairman and chief executive

BRIDGESTONE, Japan's largest type maker with a domestic market share of 50 per cent, saw pre-tax profits decline by 15.8 per cent to Y18.57bn (\$119.2m) in the half-year to June.

Net profits feil 24.4 per cent to Y7.2bn, on turnover of Y271.39bn, down 6.1 per cent. Earnings per share dropped back to Y12.51 against Y17.38.

The poor performance by the

also indicated that there could be some ownership reshuffle at the resources group. Sir Roderick will remain a director of CRA and RTZ.

He said he had decided to resign because he felt 10 years was a long enough period in the job. That statement appeared to conflict with a sentiment expressed by Sir Roderick two years ago when he said he envisaged a furthar 10 years at the head of CRA.

His decision follows specula-



Sir Roderick Carnegie: "10 years long enough in the job"

Sir Russel Madigan, CRA deputy chairman, is expected to become non-executive chairman of the company, CRA said yesterday that an announcement about an appointment to this post would be made in dua course.

### Oki Electric slips into red

OKI ELECTRIC, the long-established Japanese maker of communications equipment, slipped into a consolidated net loss of Y97m (\$822,800) in the year to March, a reversal from net profits of Y9.1bn in the preceding year.

Consolidated pre-tax profits dived 97.1 per cent to Y0.55bn, on turnover of Y392.61bn, down

These securities having been sold, This announcement appears as a matter of record only.

ALLIANCE = LEICESTER

Alliance & Leicester **Building Society** 

> £75,000,000 91/2% Notes Due 1991

Citicorp Investment Bank Limited . J. Henry Schroder Wagg & Co. Limited

ANZ Merchant Bank Limited • Chase Investment Bank

Daiwa Europe Limited • Fuji International Finance Limited

Nomura International Limited • The Royal Bank of Scotland plc

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July, 1986

CITICORP INVESTMENT BANK

All of these securities have been sold. This announcement appears as a matter of record only.

WHOLESALE CLUB

850,000 Shares

\$2.125 Convertible Exchangeable Preferred Stock

The shares of the Company's \$2.125 Convertible Exchangeable Preferred Stock, with a liquidation preference of \$25 per share are convertible at the option of the holder at any time, unless previously redeemed, into Common Stock of the Company at a conversion price of \$9 per share

## Jakarta denial by Bank

of America

BANK OF AMERICA, responding to reports alleging financial malpractice at its Jakarta branch, said Indonesian police were investigating an alleged fraud scheme but denied any wrongdoing. Renter reperts from Jakarta.

Mr William Hyde, a vice-president, said Bank of America had given police full access to its records. Allegations of fraud had not been substan-tated and so far the police had not charged anyone. The bank has also filed law-mits against Sumber Tiahaya.

The bank has also filed lawsuits against Sumher Tjahsya,
an Indooesian trading company,
seeking to recover 2.13hn
ruplah (\$\$2.04m) from an outstanding loan.

The suits are being heard hy
the Tangerang (West Jakarta)
and Central Jakarta district
courts. Sumber, in its court
defence, said it had repaid the
mooey and alleged that bank
officials had embezzled it.

Mr Hyde confirmed that
police had begun an investigation into an alleged fraod
scheme involving certain Bank
of America employees said to
have misappropriated 60ho
ruplah.

have misappropriated 60ho ruplah.

Local press reports have alleged that the amount was embezzled over several years from eight companies.

"Bank of America denies that such a monumental frand occurred against its customers," Mr Hyde said in a letter to the Jakarta Post.

The Bank of America unit made losses of 3.5bn ruplah in 1985 after 7.3bn ruplah of profits in 1984.

Bank of America is separately holding talks on the possible sale of its Colombobased Sri Lanka hranch, It did not nama the possible huyer or

not nama the possible huyer or estimate the expected value of

### National Austraiia Bank Limited

1987 per US\$10,000 Note will

# CSR reduces share placement

CSR, the Australian resources and sugar company, yesterday shares that would have put 15 shares to 50m as a result of conceded that the A5460m per cent of the company in CS279.9m) it had expected to raise from a defensive share However, following weakness in CS2's share price recently. placement and rights issua announced six weeks ago would now he reduced by about A\$160m as the result of the withdrawal from the scheme by one of the country's leading institutions.

The Superannuation Fund

However, following weakness in CSR's share price recently, SFIT announced last week that it had changed its mind about taking the 30m shares allocated to it under the placement. That meant that CSR would have to meant that CSR would have to find another taker for the shares or cut the size of the

Society was adhering to its decision to take 30m shares and had stressed its confidence in the group by agreeing to under-write the rest of the placement. the remaining 20m shares in the placement bad been bedded down with various institutions

followed by a one-for-10 rights issue, which was made more attractive receotly when the company decided to alter the terms in order to take account of the receot share price downturo.

Last night at least 15m of was announced in June, CSR the remaining 20m shares in the placement bad been bedded share, or 50 cents a unit above Investment Trust (SFIT) and fund raising exercise.

It announced yesterday that the placement price. It closed the Australia Mutual Provident

(AMP) Society had agreed to it had decided to reduce the size balance would be taken.

It announced yesterday that and it seemed likely that the in Sydoey yesterday at A\$2.62, up 4 cents on the day.

# Montreal Trustco sharply ahead at midway

MONTREAL TRUSTCO, one of the three financial services subsidiaries of Canada's Power Financial Corporation, has reported gains of more than 40 per cent in net income for its second quarter and first half.

Intermediary, fiduciary and real estate business were all strong, while total assets were

up 30 per cent year-to-year, to C33.6bn (U\$\$2.59bn), against C\$\$8.8m or 36 cents. Revenues for the six months were C\$\$238m against C\$\$198m.

Second-quarter net profits were C\$\$238m against C\$\$198m.

STELCO, Canada's largest meat packaging group, also produce steady integrated steel company, held stready in the first half with net came on gross revolues of c\$\$127m against C\$\$104m.

First-half earnings reached c\$\$12.5m or 45 cents a share against C\$\$4.1m, also against C\$\$7.9m or 22 cents a share against C\$\$7.9m or 23 cents a share against C\$\$7.9m or 25 cents a share against C\$\$1.26bn.

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Banque Nationale de Paris

Industriebank von Japan

S.G. Warburg Securities

Kansallis-Osake-Pankki

**Tokal International Limited** 

Yasuda Trust Europe

(Deutschland)

DG Bank

(Saudi Arabia)

New Isaue July 30, 1986

### **IRELAND**

### DM 750,000,000 Floating Rate Notes due 1998

Offering Price: Interest:

Listing:

100 % Six-month-LISOR July 1998 at par Frenkfurt Stock Exchange

**Deutsche Bank** 

Morgan Stanley International

Bayerische Vereinsbank

Hessische Landesbank

Takugin International Bank

- Girozentrale -

(Europe) S.A.

**Bank of America International** Bank of Tokyo [Deutschland]

**CSFB-Effectenbank** Daiwa Europe (Deutschland) GmbH

Morgan Guaranty GmbH

Bankers Trust GmbH

Fuji International Finance

Swiss Volksbank

Trinkaus & Burkhardt KGaA

# US\$100,000,000

Floating Rate Notes due 1997 Notice Is hereby given that the Rate of Interest relating to the above issue has been fixed ar 6f per cent for the period 30th July. 1986 to 30th January, 1987.

Interest payable on 30th January. be US\$351.39.

July. 1986

July 30, 1988

as a matter of record only.

# Deutsche Bank Finance N.V.

Curação, Netherlands Antilles

U.S.\$ 110,000,000 8 % Bonds due 1998

with an Undertaking by

Deutsche Bank AG, London Branch, to ensure payments of principal and interest

**Deutsche Bank Capital Markets** 

Credit Suisse First Boston

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Banque Paribas Capital Markets Limited

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**IBJ** International

Orion Royal Bank

**EBC Amro Bank Limited** 

Goldmen Sachs International Corp.

Morgan Guaranty Ltd

Morgan Stanley International

Merrill Lynch International & Co.

The Nikko Securities Co., (Europei Ltd.

Salomon Brothers

International Limited

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

S.G. Warburg Securities

Yameichi International (Europe)

Nomura International Limited

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

of Common Stock, subject to adjustment under certain conditions.

PIPER, JAFFRAY & HOPWOOD

## INTL. COMPANIES and FINANCE

# in bid for Far East option trade

By Alexander Nicoli

THE Philadelphia Stock Exchange, which operates one of the leading markets in traded currency epilons, is considering a substantial extension of its trading hours in order to capture part of what it sees as a fast-growing market in the Far East.

The idee, which is still very much in preliminary stages and has yet to be put to the exchange's membership, would involve reopening ship, would involve reopening the exchange floor during the evening in Philadelphia-though dealers would not have the same market-making responsibilities which they undertake during the normal Philadelphia trading day.

The suggestion has arisen out of Philadelphia's long drawn-out negotiations with the London Stock Exchange the Lendon Stock Exchange on a link under which the two exchanges currency options contracts would become interchangeable, so that a contract benght during the morning in London could be sold later in the day in Philadelphia.

The plans for a link first ran into thorny problems both with the respective regulatory authorities and, even more difficult, over elearing arrangements. Though neither is fully resolved, both ex-changes now feel that only minor details need to be worked out.

problem then Another arose over trading bonra. It had been assumed that there would be a period during tha London afternoon when trad-ing hours would overlap, and ing heurs would be the most active period of the day, offering considerable arbitrage and other trading opportunities.

Philadelphia, however, has proposed that there should be no overlap. This is because of concern among the exchange's members about potential loss of volume to London, in particular of large cross-trades which are sometimes consummated on the Philadelphia floor.

Cross-trades — where the same dealer acts for its elients on both sides of a transaction -are a sensitive issue on US futures and options ex-changes, since dealers not party to them feel they are not being fairly shown poten-tially locrative trades. The flercest opponents eften try to hreak them up by submitting more competitive bids or offers when a cross order hits

Philadelphia's concern was that the link with Lordon might enable cross-trades simply to be done in the UK, thereby circumventing its

resolved, but the exchanges have provisionally agreed to devise rules preventing a cross erder entered on one exchange from being dealt on the other. The extension of Philadelphia bours into the Asian trading day would also be a gesture towards the US exchange's members who were worried about losing liquidity to London.

The problems demonstrate just how difficult it is to form a link between two exchanges. The relative ease with which the Chicago Mercantile Exchange formed a futures link with the Singapore International Monetary Exchange

link with the Singapore International Rometary Exchange (Simex) was partly due to Singapore being able to create, from scratch, regulatory and trading practices modelled on Chicago's.

In London, doubts havo also been raised by the relatively small volume in currency options on the Stock Exchange, which is competing with only marginally more successful contracts on the London International Financial Futures Exchange (Liffe). cial (Liffe). The Philodelphia link could

The Philidelphia link could be given added impetus, however, by plans just announced by the Chleago Board Options Exchange (CSOE) to trado options identical to Philadelphia's. CEOE and Philadelphia options are both cleared by the Options Clearing Corporation, but the ing Corporation, but the London/Philadelphia link is to be exclusive.

### Northwest and Republic airlines dive

NORTHWEST Airlines and Republic Airlines, the two Min-neapolis-based carriers which are merging, each suffered a sharp setback in second-quarter carnings.

earnings
NWA, parent of Northwest,
recorded net earnings of
\$23.9m, or 99 cents a share,
egainst \$35.3m, or \$1.52, in the
same period of last year, while
revenues increased marginally

revenues increased marginally to \$702m from \$693m.
Half year earnings were \$7.5m, or 34 cents, against \$36m, or \$1.60
Republic's second-quarter net profit was \$35m, or 72 cents a share. This compared with \$120m, or \$3.28 which included

# Philadelphia Denmark taps overloaded market with Y10bn bond

Y10bn of debt on to the Euro-bond market, which otherwise saw little new issue activity and was, however, raised from par The Euroyen bond market has been overloaded with new issues recently, and dealers were

Euromarket. Nevertheless, Denmark'a 57 per cent coupon and 1011 per cent issue price struck the market as fair. The deal traded at discounts to issue price around the level of the total 11 per cent fees. IBJ International

led the deal.

Prices of seasoned dollar bonds were marked as much as bonds were marked as much as a 1-point lower in early trading following Monday's sharp depreciation in the dollar on the foreign exchanges. While prices steadied during the afternoon, no new issue manager was brave enough to launch a new deal.

Two recent equity warrants modest upward trend of recent redemption if the index then bonds for Japanese borrowers days in slightly higher turnwere priced. Nomura set the over. Dealers say that some of pricing. Pricing should take coupen on a \$50m bond for TEC the recent issues for high-

to 1001 per cent. Daiwa, when pricing a \$20m deal for Nikken Chemicals, also set its coupon at 2f per cent, the indicated level, and left the issue price

initially unenthusiastic about Denmark's seven-year deal, especially as that country has at par, Both deals saw their foreign exchange rate fixed at Y156.50 to the dollar. The exercise price become a frequent visitor to the on TEC Electronic's warrants was set et Y1,743, and on Nikken Chemicals' at Y1,569. Both represented 2.5 per cent premiums over their closing share prices in Tokyo.

The D-Mark market traded quietly in low turnover, as dealers said there continued to he little demand from abroad. Prices were marked down in early trading but then recovered to end the day besically unchanged.

In the Swiss franc market, however, prices continued their

DENMARK yesterday launched Electronics, the consumer elec-Y10hn of debt on to the Euro-tronics company at 22 per cent Canadian province of Manitoba, are attracting strong demand. Manitoba's SFT 150m 12-year issue, which has been trading since July 16, closed at 102 yesterday, compared with a par

issue price. issue for An issue for another Canadian horrower, the Mon-treal Urban Community, traded for the first time yesterday. The SFr 40m 10-year 67 per cent bond was the first to have its redemption amount linked to the Swiss franc/Canadian dollar exchange rate. The issue closed around 1002, against a par issue

Salomon Brothers in New

however, prices continued their \$1,000 value of the motes at modest upward trend of recent redemption if the index then days in slightly higher turn-exceeds the level at the time of

## First French floater launched

THE FIRST French franc floating rate Eurobond, with its coupon linked to interbank rates, was launched yesterday by Calena Controlle de Chapara. by Caisse Centrale de Cooperation Economique (CCCE), tha French state development finance entity. This followed a meeting between French bankers and Treasury officials on Monday night to agree a schedule of EuroFrench franc

borrowings in August. French bankers see CCCE's FFr 300m seven-year floating rate note (FRN) as an important test of confidence in the liquidity of the EuroFrench franc sector, which re-opened only 14 months ago.

The FRN's yield compares well with alternative invest-ments, but as it is the first of

The FRN pays i per cent over three-month London inter-hank offered rate (Libor), unless that rate equals or sur-

ties, in view of the currency's weakness.

over three-month London interhank offered rate (Libor), unless that rate equals or surpasses the comparable rate in Paris plus ‡ point, in which case the hond will pay the French interbank rate plus ‡ point.

The FRN is accompanied by 60,000 warrants into a seven-year 7 per cent fixed rate deal, the Norwegian state oil con-The FRN is accompanied by 60,000 warrants into a sevenyear 77 per cent fixed rate deal, exercively he had been issued at FFr 110.

The FRN gives a significant launch on Monday night. The first should be led by Banque first should be Paris for Statoil, Nationale de Paris for Statoil, Nationale de Paris for Statoil, He Norwegian state oil concern. The second should be for semi-state-owned Copenhagen Telephone, led by Credit Commercial de France. These are expected to be for FFr 700mFFr 110.

The FRN gives a significant FFr 600m respectively.

### FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market. Closing prices on July 23

### STRAIGHTS | frame |
### Angot, Ex. 0s. Cr. 0 91 A5 100
### Bremer Leibit, 124 91 A5 30
### Fize Floance 140; 09 A5 5 50
### Elizabet 130 09 A5 50
### Limitation 130 0 954 919 842 941 851 855 7799 754 517, 523, 771, 623, 797, 963, 797, 963, 1987, 971, 1987, 198

Straight Bonder The yield is the yield to redemption of the mid price; the amount issued is in millions of corrency units except for yes bonds where it is in billions. Change on week-Change over price a week corrier. Fleating Rate Medes: Denominated in collars spiess otherwise indicated. Conservation

#87 +04 +13 +84

Kingdom of Sweden

This notice complies with the requirements of the Council of The Stock Exchange and does not constitute an offer of, or invitation to subscribe for or purchase, any securities.

> Japanese Yen 25,000,000,000 51/2 per cent. Bonds Due 1991

The following have agreed to subscribe for the Bonds:-

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Mitsui Trust International Limited

**Bank of Tokyo International Limited** Bank Bruxelles Lambert S.A.

Citicorp Investment Bank Limited

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**Enskilda Securities** 

Mitsubishi Trust International Limited **Morgan Stanley International** 

**PKBanken** 

Svenska Handelsbank Group Union Bank of Switzerland (Securities) Limited

Yamaichi International (Europe) Limited

Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. The Bonds will bear interest from 12th August, 1986 at the rate of 51/2 per cent. per annum payable annually in arrears in the 12th August in each year, the first such payment to be on 12th August, 1987.

Particulars relating to the Kingdom of Sweden and the Bonds are available in the Extel Statistical Services and copies may be obtained during usual business hours up to and including 1st August, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 13th August, 1986 from:-

ra International Limited, Nomura House, 24 Manument Street London EC3R 8AJ.

Hoare Govett Limited 319/325 High Holborn, London WC1V 7BP

40 Basinghall Street, London EC2V 5DE

Salomon Brothers International Limited

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The Nikko Securities Co., (Europe) Ltd.

**Sumitomo Trust International Limited** 

Swiss Bank Corporation International Limited

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**IBJ International Limited** 

S.G. Warburg Securities

**Morgan Guaranty Ltd** 

30th July, 1986

This announcement appears as a matter of record only.

ECU 30,000,000 **Currency Exchange Agreement** 

**Maturing December 1990** 

GAZ DE FRANCE (G.D.F.)

The undersigned arranged the above transaction

**Service National** 



Hill Samuel & Co. Limited

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ECU 30,000,000 **Currency Exchange Agreement** 

Maturing June 1991

GAZ DE FRANCE (G.D.F.)

The undersigned arranged the above transaction

Service National



Hill Samuel & Co. Limited

By our New York Staff

extraordinary items of \$80m. Six-month profits totalled \$29m. or 64 cents a share, against \$125m, or \$3.28m,

### INTL. COMPANIES and FINANCE

Steven Butler assesses the likely effects of a range of rule changes

# Foreign banks face Korean squeeze

the Bank of Korea that will take effect next month.

The changes have been billed "national" treatment of foreign hank hranches in Korea—putting the foreign banks under a set of rules more similar to

The foreign hank branchee in Seoul have played only a minor direct role in supplying that capital, but indirectly they beve played on important part—
often serving as on advocate
for Korea with head offices
when the going was rough.
Inside Korea the foreign hanks have earned attractive returns in a beavily constricted and regulated environment that has been virtually risk-free.

The message hehind the most recent rule changes is that Korea no longer needs the foreign banks, or their capital, as much as it once did. Many banks, looking further down the road, see that Korea's dependence on the foreign banks will configure to decline banks will continue to decline and they are now beginning to ask bow long the Korean Government will set to shield them from the risks of lending to domestic companies.

Aside from the nettlesome requirement to fuss with small borrowers, moving to the first tier exposes the banks to a new set of risks without promising significantly higher returns. The move to the first tler also a move some foreign banks fails to meet a prime goal of the foreign banks. August, foreign banks may access the central bank's rediscount window for corporate hills. But if they do, they will pay a price.

a move some foreign banks have long sought, Beginning in August, foreign banks may access the central bank's rediscount window for corporate hills. But if they do, they will pay a price.

"It is a step in the direction of nationsi treatment," says Mr John Torp, manager of the Seoul hranch of Bank of America, "but it is a difficult step for the banks to take."

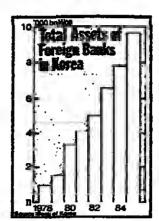
Indeed, the announced changes could mark a major turning point in Korea's relations with the foreign hanks, which have heavily supplied, and profited from, Korea's enormous appetite for foreign capital. Korea's foreign deht now exceeds \$47bn, much of it horrowed from commercial sourcee, and no foreign hank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has ever lost money on Korean the foreign bank has further gueranteed a 0.75 point margin on interest raies. Under these arrangements, shout \$1.8bn of foreign exchange has heen brought into the country.

One bank has calculeted that assuming a fairly common 10 per cent compensating halance

one near has calculated that assuming a fairly common 10 per cent compensating halence on losus and factoring in other peculiarities of the arrangements, such as prepayment of interest and the difference between imputed and actual loan rates—the banks have been able to earn a hardsome 248 able to earn a handsome 2.48 per cent real return on funds. Because of the scarcity of Won funding at hank interest rates, the hankers were also usually able to negotiate addi-tional fee-based husiness— guarantees, letters of credit, or foreign exchange transactions— to fetten the deal,

Under the new rules, the guaranteed margin for swap transactions has been lowered transactions has been lowered to 0.5 points and the banks must now pay 0.3 per cent to the Korea Credit Guarantee Fund. The resuit, using the same set of assumptions, has been to lower margins to 1.90 points, which hy itself is still an attraction to the property of the

cent of the amount redis-counted. The net effect is to lead to a 2.005 per cent real return on funds, hardly hetter then straight swep transactions and with the added risk that if a customer does not renew when a hill comes due, the bank cannot go back and increase the swep volume again.



When dealing with small and medium industry, where hills cao be rediscounted up to 60 per cent, the returns rise to 3.78 per cent. Nonetheless, most foreign hanks say they are technically unequipped to deal with small Korean companies, where accounting standards are low and loans are difficult to low and loans are difficult to collateralise safely.

Most hanks so far have met the requirement to lend to small companies by lending to joint ventures, where the foreign parent company is typically a large multinational corporation.

All of these restrictions might be less bothersome hut for the fect that the foreign banks have no alternative means to reise local funds. There ie no operating interbenk market, and the banks are not allowed to issue negotiehle certificatee of deposit. If they do raise local funds, the cost is bigher than hank lending rates, which are kept artificially low.

"I JUST lost a lot of money," the rand cannot go back. From says a foreign banker in Seoul. The statement fairly well sums up the reaction of the city's foreign banking community to a range of rule changes and rate adjustments announced by the Rank of Korea that will refer the Rank of Korea that will refer the result of the second recommendation of the remaining the result of the second recommendation of the result of the second recommendation of the result of then permanently loces swap anowances and a water range of other services to offer customers, the loss of profits counted. The net effect is to lead to a 2,005 per cent real return on funds, hardly hetter then straight swep transactions and banks to offshore capital market instruments.

> It is the smaller hanks, with local profits in the hundreds of thousands of dollars and an expensive expatriate etaff to support, that may begin to look harder at their reasons for staying in the country. "Korea is overhenked," comments one foreign banker, looking at the 52 foreign bank branches that

have been set up.
Korea's ahility to squeeze the foreign hanks reflects its eharply improved economy. Economic growth this year is expected to approach 10 per cent, and both the trade and automatic accounts about the first current accounts should finish the year well into the black for the first time.

Foreign banks have elso come under sharp political attack in Korea for their allegedly exorbitant profits. Domestic hanks, by contrast, are crippled by billions of dollars of had dehts resulting from contrast are contrast. government-inspired loan pro

grammes.
The changing economic and The changing economic and political environment has led many foreign bankers to look harder at the future. The theory of "Koree Inc" was tested and not found wanting last year when the giant Kukje group feiled. Every foreign bank that lent to Kukje was bailed out.

The government nonethcless The government nonethcless paid a heavy political price, and with Korea's opposition becoming increasingly vocel, many wonder whether the government could support another massive rescue. As a result many bankers are shying away from longitudents. from long-term commitments to Korean companies whose levels of debt would typically disqualify them from loans in the West.

Still, while no banker in bappy about the prospective loss of local profits, in so far as it stems from Koree's economic success, the chances have improved that banks will be repaid for their commitments to the country which in indicate domestic companies.

The new rules open a twotier system for the foreign
banks. Once a bank taps the
rediscount window for corporate bills, it enters the first This advertisement is issued in compliance with the requirements of The Council of The Stock Exchange, It does not constitute an offer of, or invitation to the public to subscribe for or to purchase, any securities, The securities referred to below have not been registered under the United States Securities Act of 1933 and may not be offered, sold or delivered directly or indirectly in the United States of America, its territories or its possessions or to United States persons.

### U.S. \$200,000,000 Wells Fargo & Company (a California corporation)

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SALOMON BROTHERS INTERNATIONAL

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MORGAN GUARANTY LTD

NIPPON CREDIT INTERNATIONAL S.G. WARBURG SECURITIES

BANQUE BRUXELLES LAMBERT S.A.

DEUTSCHE BANK CAPITAL MARKETS GOLDMAN SACHS INTERNATIONAL CORP.

KYOWA BANK NEDERLAND N.V.

SAMUEL MONTAGU & CO.

THE NIKKO SECURITIES CO., (EUROPE) LTD.

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Application has been made to The Council of The Stock Exchange for the Notes to be admitted to the Official List. The Notes will be issued in bearer form in the denominations of U.S. \$10,000 and U.S. \$250,000 and in registered form in denominations of U.S. \$10,000 or integral multiples thereof, with an issue price of 100 per cent. Interest is payable quarterly in arrears in February, May, August and November, the first payment being made in November 1986.

Particulars of the Notes and of Wells Fargo & Company are available in the statistical services of Extel Statistical Services Limited. Copies of the listing particulars relating to the Notes have been published in the form of an Extel Card and may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including August 13, 1986 from:

Morgan Guaranty Trust Company of New York; Morgan House, P.O. Box 161, I Angel Court, London, EC2R 7AE.

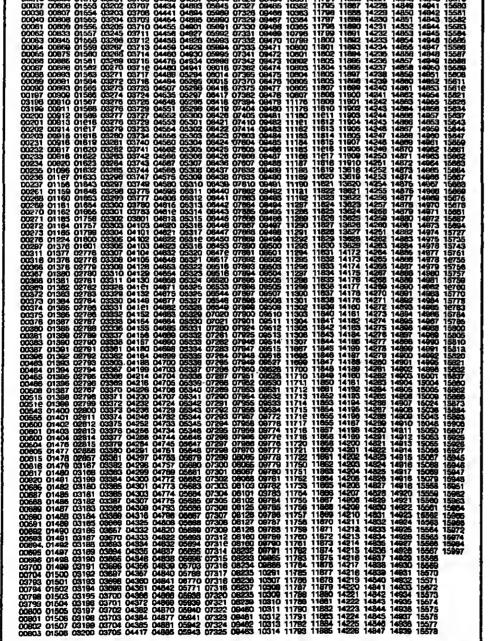
Company Announcements Office, The Stock Exchange, Throgmorton Street, London, EC2 2BT.

July 30, 1986

### INTERNATIONAL STANDARD ELECTRIC CORPORATION

Luxembourg Francs 800,000,000 61/2% Bonds due 1987

Notice is hereby given that, in accordance with the terms and conditions of the above-mentioned loan, Public on July 16, 1986 for redemption at par on Septembe Principal amount of Bonds purchased: Ltb. Frs 2,350,000 The following Bonds have been drawn and may be present to other Paying Agents named on the Bonds:



Bonds surrendered for redemption should have attached the coupon due on September 1, 1987. Coupons due on September 1, 1986 should be detached and collected in the usual manner.

Amount outstanding: Lux. Frs 80,000,000 Luxembourg, July 30, 1986

The Fiscal Agent KREDIETBANK This announcement appears as a matter of record only.

### TAMURA ELECTRIC WORKS, LTD.

U.S.\$25,000,000

21/8 per cent. Guaranteed Notes 1991

with Warrants

to subscribe for shares of common stock of Tamura Electric Works, Ltd. Unconditionally and irrevocably guaranteed by

The Fuji Bank, Limited

Issue price 100 per cent.

Yamaichi International (Europe) Limited

Daiwa Europe Limited

**ANZ Merchant Bank Limited** James Capel & Co Fuji International Finance Limited Samuel Montagu & Co. Limited Morgan Stanley International Sumitomo Finance International

**Bank of Tokyo International Limited** Crédit Lyonnais Leu Securities Limited Morgan Guaranty Ltd The Nikko Securities Co., (Europe) Ltd. Vereins-und Westbank AG

July, 1986

# Dee consolidates with £83m

the chairman called a year of

rapidity and complexity of tha digestion of International Stores

subsidiaries traded well and all reported record profit contri-butions. Group sales increased by £426.3m to £2.865n, an and Comber, with further new increase of 17.5 per cent in a stores under construction at year when food inflation fell to Limavady. Ballyclare, Downpata very low level. Total UK rick and Coleraine. rick and Coleraine. Infood Cash and Carry tracent to £2.11bn, while retail margins, excluding property profits, strengthened from 2.98 Lonsdale and Thompson. Sales the new companies are being

Splash on

target for

at least £0.4m

Splash Products, the novelty T-shirt printer which was floated on the USM in April, yesterday produced interim pre-tax profits of £71,000 and said

it was on target for at least £400,000 for the year to October.

Comparative interim figures were not provided but last year's full-year pre-tax profit was £402,000 after an exceptional credit of £60,000.

Splash said its turnover of £1.9m was 3 per cent ahead of lest read of the spite of t

last year's first half in spite of a standstill in prices, poor weather and a lack of tourists.

Most of Splash's sales are in the second half and the com-

recovery in tourism, together with the warmer weather, made the outlook promising.

Mr Tom Weatherby is the chairman of Whitecroft and not

Mr Tavare as stated in yester-

course of the current financial

day's report.

the benefits of the purchase of strongly in all sectors.

International Stores in spite of the substantial progress made to date. The remaining International fascias will all be fits, increased by 32.5 per cent to those of Gateway to a record £5.6m, but consider the end of the year.

Herman's Sporting Goods, the largest specialty retailer of sporting goods, sports apparel and athletic shoes in the US, was acquired a few days before to a record £5.6m, but consider the end of the year. Its impact on the 1985-86 results was conyesterday reported pre-tax "We have yet to deriva all petition. Sales in profits of £83m—just in line the benefits of the purchase of strongly in all sectors. with City expectations—in what International Stores in spite of Own label sales incre Mr Monk said: "The scale, national fascias will all be

The chairman added that all trade very successfully, and ubsidiaries traded well and all reported record profit contributed for the successfully at Armagh opened successfully at Armagh

Dee Corporation, the food food Cash and Carry increased per cent in spite of very low fitably. Some 24 additional shops group beaded by Mr Alec Monk, sales by 34.3 per cent to £640m, inflation and very intense compression are planned to open in the curvesterday reported pre-tax. "We have yet to deriva all petition. Sales increased rent year."

Digsa, the Spanish subsidiary, traded very well with profits up

On earnings per share 17 per by 83 per cent, which reflects in part the purchase of Algete and Cadadia in 1985. Both these Madrid-based companies were losing money when acquired and tha chairman said that the re-

and Lennons into Gateway Food markets is difficult for those outside the business to comprehend fully." The shares were unchanged yesterday at 230p.

The chairman added that all subsidiaries traded well and all subsidiaries traded

cent ahead at 16p-after a much increased tax charge of 58.15m—the directors have recommended a final dividend of 4.4p—0.4p ahead of last time to raise the total to 7.2p (5.5p).
The company's year ended

# All-round growth boosts CAP

ALL OPERATING divisions of available and augured well for plus from CAP at the interim stage and these results reflect a in the year ended April 30 1986,

Results for the year excluded rather sluggish growth in earnand profits before tax rose nearly 28 per cent, from £2.12m

to £2.71m.

CAP is one of the leading software houses in the UK. In May it acquired Yarrow, and both companies are heavily involved in systems angineering in the defence-related fields.

The directors said the resources of CAP Scientific and YARD (the main business of Yarrow) amounted to more than 1,000 professional staff in

Results for the year excluded £36.47m to £30.6m. After tax £1.07m (£885,000), the net profit came to £1.63m (£1.24m) for earnings of 7.9p (7.6p) basic and 7.6p (7.3p) diluted. There is a final dividend of 1p making 1.5p net, as forecast when CAP

HAT said the offer remained HP Bulmer will not be reduc-ing its advertising expenditure, as reported in yesterday's FT, but will be increasing it in the

rather sluggish growth in earnings per share. The problems came at ACL the EFTPOS supplier which made a £300,000 loss; et Gresham Cap, which loss; et Gresnam Cap, which experienced hold-ups on the TDHSI programme; and at the New York office. There should be better news on all three fronts this year, with ACI due to come back into profit, the TDHSI programme on stream and the New York office about to be sold. This year's figures will depend ver ymach on the contribution from Yarrow which forecast profits of film during the takeover bid. That forecast was for the year to June 1986 and included a pension holiday and substantial interest income. This year, the cash mountain will be whittled down by the costs of the bid and it is bard to see Yarrow's 10-month contri-bution topping the £3m mark. Eliminating the ACI deficit and adding on 25 pe reent under-lying growth gives £3.75m from CAP; a conservative addition of

# growth was an impressive 22 integrated successfully and pro-

Yarrow. Turnover rose from £36.47m to £50.6m. After tax

ago. Extraordinary credits totalled £441,000, principally on the sale of 50 per cent of Stephen Howe. engineering consultancy work.

The merger also greatly streng.
thened the capital resources The market was expecting £3m

### HAT replies to BET charges

HAT, the paint and scaffolding business fighting a £96m bid from industrial services group BET, yestarday hit back at BET's offer document, which it described as a "cynical catalogue of selected snippets."

its own balance sheet gearing, at 65 per cent, was higher Additionally, BET's claims of commercial logie failed to recognise the specific niche markets served by HAT and their special characteristics. Additionally, HET's claims of commercial iogle failed to recognisa the specific niche markets served by HAT and their special characteristics, HAT acknowledged that the declarate in the declarate he declarate in the declarate he declarate. completely unacceptable and decline in the oil price had hit argued that BET's share price was "on the stide," reducing Houston property market and the value of the hid. It was absurd for BET to question HAT's financial strength when

£2.75m for Yarrow makes £5.5m in all. On a tax charge of 35 per cent, that leaves the shares, at 198p on a p/e of 17—suggesting that all the growth is in the price.

### Launch of new fund delayed for few months By Clive Welman

THE LAUNCH of the UK's first passively managed inter-national fund has been postponed for three to four months because of the slow response of pension fund trustees and managers to the

pathinder prospectus.
River and Mercantile
Investment Management, with the support of steckbrokers.
Wood Mackenzie, produced
the prospectus for the River
and Mercantile International Index Trust three weeks ago with the intention of raising £150m by the end of this month.

Fund manager Ms Vivien Gould claimed yesterday that the response had been considerable, "Recause this is a new type

of product, the decision on whether to invest has had to go to trustees or committees, and it is taking more time than we expected," she said. The postponed launch is now likely to take place in October or November, and the company has abandened its f150m target. The revived plan is to launch the fund, if necessary, with substantially fewer assets and to grow at a later district the substantial of the sub later date through a series of rights issues and placings.
The fund aims to match the returns on the most widely used benchmark of the performance of world stock markets, the Morgan Stanley Capital International World Index, but excluding the UK

stock market. This would be achieved by investing in a representative sample of about 390 com-panies, chosen on a statistical basis without reference to the projected profitability of the companies.

Acatos & Hutcheson Acutos & Hutcheson, the edible oils producer being floated on the stock market, appeared to have received a warm response to its offer for sale when the application list closed yesterday.
The offer of 4.7m shares at

160p a share was said by Hill Samuel, the merchant bank, last night to have been reasonably oversubscribed—probably by nearly 1; times. Details of the response and the basis of allotment will be announced today.

# Strong results in UK push " NatWest up 34% to £482m

yesterday reported a 34 per cent increase in profits to cent increase in profits to \$482m for the first half of this year, thanks mainly to strong results in its domestic UK operations. It is also confident that the group's prospects for tha year as a whole are good. Lord Boardman, the chair-man, said: "This represents an excellent trading performance, with steady income growth being achieved in a period of falling interest rates world-wide, and with effective control wide, and with effective control of our operating costs."

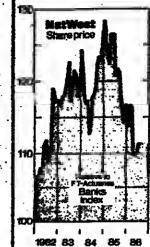
He added: "As we look at the world, the combination of falling oil prices, lower inflation, and declining nominal interest rates has not yet worked through to create the expected economic growth. But I believe the world economy is set to strengthen towards the end of this year and through 1987.

"In these bustness conditions."

"In these business conditions National Westminster Bank is well-placed for further success."
NatWest'a UK domestic bank-Natwest's UK domestic banking business earned £320m, up
57 per cent on £204m in the first
balf of last year. Most parts of
the group performed well in a
highly competitive market.

Profits from the international
The profit at NWIB was about

banking division were up from fillim to filem. NatWest US announced a 21 per cent in-crease in after-tax profits in



Related banking services pro-fits were unchanged at £46m. The Lombard Group maintained its profits despite a contraction of the leasing markets. NetWest Investment Bank, the gronp's new capital markets group, earned high trading revenues, but these were largely absorbed by the start of Net.

£1m. Lord Boardman said the group continued to take a prudent view of world trading and economic conditions and made

provisions of £173m, up from £151m in the same period last year. The bulk of these were specific provisions for bad and doubtful debts in the UK.

The group's post-tax profit of f289m (up from £202m) enabled it to transfer £235m to reserves.

The interim dividend is 7p a character an interior of 10.4 m. share, an increase of 10.4 per The group's costs, as a percentage of total income, were 74 per cent as against 76 per cent in the same period last year. Staff costs were up 12 per cent, with half of the increase

cent, with pair of the increase due to expansion of subsidiaries and new activities. The balance sheet grew 5 per cent to £76.4bu, and the after tar return on total assets was 1.28 per cent, up from 1.01 per

Mr Philip Wilkinson, group chief executive, said that Nat-West Investment Bank was emerging as a powerful institu-tion in the world capital

markets. In the UK the introduction of In the UK the introduction of free in credit "banking last year had brought the bank 108,000 net new accounts, more than offsetting the losses incurred last year. NatWast Home Loans is now one of the largest mortgage makers in the UK with a book of £3.5bn. Repossessions this year totalled only 150 out of a customer list of 135,000.

See Lex

### **Gold Greenless over forecast**

FIRST PUBLISHED results from advertising agency Gold Greenless Trott show that its prospectus forecast was com-fortably beaten. The company came to the market in March at 165p per share.

Turnover totalled £31.47m and pre-tax profit came to £1.47m, in the year ended April 30 1986, compared with the forecasts of £29.5m and £1.3m respectively. That was largely attributable to additional business won near the end of the financial year, with advertising appearing almost imme-distely, the directors explained.

Those figures also compared with £18.57m and £538,000 respectively achieved in the year ended April 30 1985. Operating profit in the year was £1.15m (£485,000) and investment income £311,000

(£153,000) net. Tax took £636,000 (£327,000) to leave the net attributable profit at £829,000 (£311,000), or 10.25p (3.89p) per share. The dividend is the forecast Ip net.

### comment

When Gold Greenless Trott surfaced on the stock market in March it anticipated profits of £1.3m or so for the 1985-86 financial year. An unexpected new account, and speedy spending, from the Daily Express bumped up profits in the final month of the year and the agency sailed alread of expectations. Sharehoiders, who have already workled the have already watched the shares rise from 165p since the flotation, saw another increase of 5p to 210p yesterday. New business is still buoyant. Since going public GGT has gleaned

additional accounts

Toshiba, as well as new accounts from the Express and Ariston. This, combined with first time cootributions from last year's new business winssuch as National and Provincial and the Manpower Services Commission — should huoy profits to £1.85m for 1966-87 producing a prospective p/e of 17.5. Meanwhile the agency's management is sensitivy eschewing Saatchiesque concepts of globalisation and will continue to concentrate resources on augmenting its core consumer advertising activities.

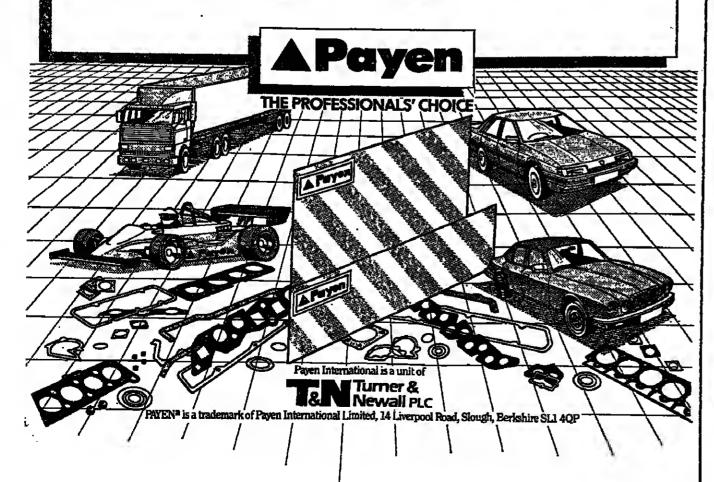
> LADBROKE INDEX 1,272-1,278 (+6) Tel: 01-427 4411

# An International Force in Automotive Gaskets

TAKE A LOOK AT THE FACTS

A PAYEN supplies the world's most comprehensive international range of automotive gaskets.

- PAYEN manufactures gaskets world-wide European factories are in the UK, France. Italy, Spain and Holland.
- PAYEN has a co-ordinated international research programme backed by the most extensive engine-test facilities devoted to gasket development.
- PAYEN products are specified by leading vehicle manufacturers in 5 continents.
- PAYEN has technical assistance or trade mark agreements with companies in Japan, Australia, India and Eastern Europe.
- PAYEN has unrivalled aftermarket distribution through 14 subsidiary and associate companies world-wide.
- Every winner of the Formula 1 Constructors Championship has relied on PAYEN products.





## **Preliminary Announcement of Group Profits**

for the period ended 26th April 1986

Pre-tax profits of £83.0m — record profits in all divisions Earnings per share increased by 16.8% Dividends per share increased by 24.1%

1985 (£000's)	1986 (£000's)
2,434,058	2,860,384
67,923 3,584	90,220 7,187
64,339 4,950	83,033 8,150
59,389 16,426	74,883 8,122
42,963	66,761
13.7p	16.0p
5.8p	7.2p
	2,434,058 67,923 3,584 64,339 4,950 59,389 16,426 42,963 13.7p

Copies of the Report and Accounts will be available after 19th August from The Secretary. The Dee Corporation PLC, Silbury Court, 418 Silbury Boulevard, Milton Keynes MK9 2NB.

The Dee Corporation PLC

### **UK COMPANY NEWS**

# Booker expands health foods with French buy

BY DAYED GOODHART

Booker, the agribusiness, products, health products and food. The production group, has cent state.

Booker, the agribusiness, health products and food distribution group, has announced a major expansion to its health products division with the acquisition of a 38 percent stake in La Vie Claire, the French health food chain which is part of the private Bernard Tapie Group.

Booker is paying just under flom for the stake but has an option to acquire majority control by 1990—an option which is almost certain to be taken up, according to Mr Angus McKenzie, the Booker bealth products chief executive.

The prica tag for the 38 percent stake depends on the French company making a profit that country and bas over 100 product lines as well as a national delivery system, a factory near Tours, and several related businesses.

Mr Bernard Taple — main to the USM) next year.

Mr Bernard Taple — main over parent company—has agreed to bold enough shares in La Vie Claire to ellow Booker in Duy up to 67 per cent.

Mr Jonathan Tsylor, the Booker health food shops and the Prance.

Mr McKenzie, Mr David Turner, the Booker finance director, and Mr Philip Gee of the health food shops and the France.

It operates 200 mostly

## Coline Intl joining the USM

Coline International was Sales of Coline's oscilloscope formed last September to merge Coline Limited, a specialist in accessories for electronic testing last two years but the fastest about £740,000 for the group.

Ceast

Coline International, a newly-formed group which makes a range of electrical components and accessories, is coming to the unlisted securities market through a placing which will give it a market capitalisation of £10.2m.

Schroders, the merchant bank, is piscing 2.5m shares—representing 27 per cent of the enlarged equity—at 110p a share. Broker to the issue is Cazenove. Coline International was formed last September to merge

TVS £19m rights issue to fund its overseas expansion

issue yesterday in order to fin-auce its expansion into the international television services

The company also unveiled plans to acquire the Midem Organisation, a Parls-based organiser of trade fairs for the television, video and music in-dustries. TVS will pay FFr 50m (£4.93m) cash.

Earlier this year TVS made its first overseas investment by The offe purchasing the Gilson Corpora-tion, e US distributor of television programmes. The company is also negotiating for a ten per cent stake in the joint ITV/ Virgin Group pan-European cable programming venture, Superchannel, which will cost for over four years.

Superchannel, which will cost for over four years. f4m over four years.

TVS intends to use Midem
Gilson as the basis of a new

company which will offer a com-prehensive range of services, incontract to supply diagnostic equipment to Ford Motor.

Coline says that although further profits from this contract will be negligible in the current year, it expects further strong progress from its nther activities and it is fore-there activities are the prehensive range of services, including public relations, conference organisation and finance broking to the television programme production sector. The new company, which has yet to he named, should become operational in October and will function indenendently from TVS's television contracting

Television South, the independent television company, opportunities being created by announced plans to raise £19.3m the deregulation of television in through a one-for-three rights Europe." said Mr James Gatward, TVS's chief executive.

The creation of the new com The creation of the new com-pany will be funded by the rights issue. In the issue TVS will release 9.96m new ordinary non-voting chares. One new ordinary share will be offered for every three shares already held at 200p a share. TV's share price well by 12p tn 228p

The offer has been made on corresponding basis to bolders of TVS's 10 per cent subor-dinated convertible unsecured

Provident Life Office have undertaken to take up their rights. The rest of the issue has been underwritten by the ANZ
Merchant Bank, Capel-Cure
Mvers are the brokers to the
issue.

TVS is also formulating plans to refirm its share structure by enfranchising non-voting share-holders. A committee of the main board will consider the

function indenendently from TVS's television contracting activities in the UK.

"Our intention is to leave TVS free to concentrate on running our independent television franchise while the new com-

## This advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any securities of the Company.



ROBERT HORNE GROUP ple

(Registered in England under the Companies Acts, 1929 to 1983, No. 391887) Introduction to the Official List

Share Capital lasued and fully paid 721,560 2,886,240 3,188,045 721,560 2,886,240 4,174,240 217,960 13%% Cumulative Preference Shares of £1 each Ordinary Shares of 20p each Non-voting 'A' Ordinary Shares of 20p each Unclassified Shares of 20p each 8.000,000

Application has been made to the Council of The Stock Exchange for admission in the Official List of the whole of the issued ordinary share capital of Robert Home Group pic, currently dealt in in the Unitsted Securities Market, it is expected that the Ordinary Shares and Non-voting "A" Ordinary Shares will be admitted to the Official List on 1st. August, 1986 and that dealings will commence on 4th August, 1986.

The principal business of Robert Home Group pic and its subsidiary companies is that of paper merchants. The Group is the largest independent paper merchant in the United Kingdom. Other Group setivities include the distribution of industrial fasteners and the manufacture of self-adhesive materials.

Listing Particulars relating to the Company are available in the Extel Statistical Services and copies may be obtained during normal business hours on any weekday (excluding Saturdays and public holidays) up to and including 12th

County Limited, 11 Old Breed Street, London EC2N 188 Scrimgeour Vickers & Co., 20 Copthell Avenue, London EC2R 7JS Robert Home Group pic, Huntsman House, Mansion Close Moulton Park, Northempton NN3 Phillips & Drew, 120 Moorgate, London EC2M 6XP

and are also available from the Company Announcements Office, Quotations Department, PO Box 119, The Stock Exchange, London EC2P 2BT on 31st July and 1st August, 1986. 30th July, 1986

**Further encouraging** 

progress

1986

50,622

2,707

1,073

2,045

A final dividend of 1.0p per ordinary share is proposed, to make

411

1985

£000

+39%

+28%

36,466

2,121

885

1,236

7.6p

### **Holmes & Marchant** seeks full SE listing

BY RICHARD TOMKINS

Rolmes & Marchant, the interest falls from 44 to 34 per USM-quoted sales promotion and graphic design company, yesterday announced that it was seeking a full listing and profits forecast incorporates a forecast profits of £1.95m for £525,000 contribution from Blitz Design and Graphics.

interest falls from 44 to 34 per cent. No further share sales by directors are planned.

Holmes and Marchant's profits forecast incorporates a £525,000 contribution from Blitz Design and Graphics, bought at the end of last year and included on a merger accounting basis. The adjusted pre-tax profits figure for 1985

forecast profits of £1.95m for the year to September.

Shares in the company, floated last May through a placing at 300p, closed 5p up yesterday at 665p.

Holmes & Marchant said main market companies tended to be followed by a wider range of investors than USM ones, and it also feared liquidity in the USM might be reduced after Big Bang this autumn.

In order to qualify for a listing, the company is increasing the amount of shares in public hands to just bayond 25 per cent through a placing of 550,000 of the shares beld by the directors.

Most will be sold by Mr John Holmes, chief executive, whose

### **DIVIDENDS ANNOUNCED**

		Date		Total	Total last
Ci	ırrent	30	sponding	IOL	
Pa		payment	div.	year	year
AMS Indsint	0.5	Oct 6	_	_	_
Burmatexint	2.75	Oct 1	2		5.75
CAP Group	1	_	_	1.5	_
Dee Corp	4.4	Oct 1	4	7.2	5.8
DJ Securityint	<b>‡0.65</b>	Sept 8	0.65	_	1.5
Havelock Europa		Oct 3	16	4	2.3
NatWest Bankint	17	_	10	=	28.2
Rights and Issuesint	1.1	_	1		4
I. D. & S. Rivlin	<b>‡0.1</b>		0.1	0.1	0.1
Radiusint	<b>‡1</b>	Oct 2		_	0.44
Eliza Tingley	+1.89	_	1.89	2.89	2.89
Dissidende chours in	nence	per shar	re except	where	otherwise
-tetal # Paulaniant of	ter olle	wing for	SCHID ISS	ue. T	On capital
increased by rights a	nd/or	acquisit	ion issue	s. ‡U	SM stock.

BOARD N	EETINGS	
The following compenies have notified dales of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications see not available as to whother the dividende are interime or finals and the subdivisions shown below am based maisly on last year's timetable.  TODAY  Interims: C.S.C. Investment Trust, John I. Jacoba, Mount Charlotte Investments, Ocean Transport and Trading, Plastic Constructions, Somportex, Wace.	Finels: Acoio Jewellery, Lyoas, Gregga, MS latornatios cantilo House, Multitose Elo Stevert Zigomale, Transcontinos vices	Aug 15 Aug 15 Aug 6 Aug 8 Aug 8 Aug 11 Aug 18 Aug 18



### Korea Exchange Bank (Incorporated in the Republic of Korea under the Korea Exchange Bank Act of 1860, as amended)

U.S.\$150,000,000 Floating Rate Notes Due 1995

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from July 30, 1986 to January 30, 1987 the Notes will carry an interest rate of 6%% per annum. The interest payable on the relevant interest payment date, January 30, 1987 against coupon No. 3 will be U.S.\$8,784.72 and U.S.\$351.39 respectively for Notes in denominations of U.S.\$250,000 and U.S.\$10,000.

By The Chase Manhattao Bank, N.A., London, Agent Bank



### HAVARA INTERNATIONAL BANK LIMITED

Recules of Annual General Meeting held 10.7.1986

£2,022,000
£87,009,262
2.32%
13 <i>7</i> 8%

This advertisement does not constitute an invitation to any person to subcombe for or purchase shares. Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the whole of the share capital of Coline International Fig. issued and to be issued, in the Unlisted Securities Market. It is emphasised that to application has been made for these securities to be admitted.

Bonds surrendered for redemption must have attached the coupon due on September 1, 1987. Coupons due on September 1, 1986 should be detached and collected in the usual manner.

The Fiscal Agent

KREDIETBANK

Amount outstanding on September 1, 1986; Lux, Frs 80,000,000

Outstanding drawn Bonds: none Luxembourg, July 30, 1986

**GRAND METROPOLITAN HOTELS LIMITED** 

(GRAND METROPOLITAN PLC)

800,000,000 Luxembourg Francs 63% Bonds due 1987

We hereby give notice that, in accordance with the terms of the above-mentioned loan. Bonds for the principal amount of Lux. Frs 80,000,000 have been drawn in the presence of a Notary Public on July 16, 1986 for redemption at par on September 1, 1986.

The following Bonds have been drawn and may be cresented to Kredietbank S.A. Luxembourgeoise. 43, Boutevard Royal, Luxembourg or to other Paying Agents named on the Bonds:

Principal emount of Bonds purchased by the Company: nil



### COLINE INTERNATIONAL PIC

(Incorporated in England under the Companies Act 1985 No. 1944651)

Coline International Plc and its subsidiaries ("the Group") are specialist producers of electronic test equipment accessories, manufacturing probe assemblies, test leads and co-axial connectors. These are designed to provide safe and effective connections between electronic curcuits and test equipment such as oscilloscopes

The Group also specialises in the sub-contract production of high quality precision turned components, manufactured in large volumes for assembly into co-axial, circular and fibre optic connectors.

The Group has recently extended its product range to include lest equipment for the automotive diagnostic and mobile radio markets.

Placing

J. Henry Schroder Wagg & Co. Limited

of 2,480,000 Ordinary shares of 5p each at 110p per share payable in full on application

Share capital Issued and to be Authorised Esued fully paid £462,500 in Ordinary shares of 5p each In accordance with the requirements of the Council of The Stock Exchange, 620,000 Ordinary shares have been offered to the market and are available to the

public during market hours today. Particulars of the Group are available in the Extel Unlisted Securities Market service and copies of the Placing document may be obtained during normal

business hours, up to and including 13th August, 1986, from-

J. Henry Schroder Wagg & Co. Limited Coline International Pic 120 Cheapside, London EC2V 6DS 166 Great North Road,

Hatrield, Hertfordshire AL9 5JN

Cazenove & Co. 12 Tokenhouse Ya London EC2R 7AN

30th July, 1986

Mr. B.J. Gibbens, Chairman, reports:

**Summary of Results** 

Year ended 30th April

Profit before taxation

Extraordinary items

Earnings per share

a total for the year of 1.5p.

Profit attributable

to shareholders

Turnover

**Taxation** 

★ CAP has enjoyed another year of growth. The financial

performance is satisfactory in the light of the many tasks we accomplished throughout the group in the past year. ★ Expenditure on staff training is our most important investment for our future, approaching 6% of turnover -

about 40 times the UK national average for industry. ★ The successful completion of the merger with Yarrow augurs well for the future.

CAP Group plc

22 Long Acre, London WC2E 9LY. Telephone: 01-379 4711 A copy of the Annual Report 1986 may be obtained, after 11th August, 1986, from the Company Secretary.

Tony Jackson takes a look at Smurfit's audacious and ambitious US acquisition

# Irish financial sleight of hand

LAST WEEK'S \$1.16bm (£779m) purchase by the Irish group Jefferson Sumrit of Container Corporation of the US will create perhaps the seventh or eighth biggest paper company in the world. It is also a remarkable piece of financial sleight of hand, whereby Jefferson Smurfit is taking effective control of a company bigger than itself without the slightest effect on its balance sheet.

The audacity of the deal has plenty of precedent in the history of Ireland's biggest company, ever since the formulae.

company, ever since the founder, John Jefferson Smurfit—a master tailor from Sunderland who emigrated to Ireland being sold a share in a cartonmaking business by the priest who officiated at his wedding in Dublin in 1934.

The company went public in Ireland 30 years later, rating 62nd among the 64 companies on the Irish stock exchange by size with sales of around £1m. In 1970, it made its first big acquisition step by buying the Healty Geoup. Ireland's leading Healy Group, Ireland's leading packaging company and three imes Smurfit's size

In 1972 the group mada its first UK acquisition — W. J. Noble, a Yorkshire carton maker—and moved into the US with the purchase of Time Industries, a Chicago paper and packaging company, in 1974. John Jefferson Smurfit died in 1977, and the board is now dominated by his four sons, Michael, Jefferson, Alan and Dermot. Since 1979, a number of much bigger US acquisitions have made North America by far the biggest of Smurfit's areas of operation, accounting for 69 per cent of last year's trading profit (down from tha previous year's 82 per cent, chiefly because of the US paper industry's problems last year, caused by weak prices and the

strong dollar).
Throughout the group's history, very few of the acquisitions have been outright in the first instance. According to Mr Dermot Smurfit, who heads the group's UK operation, there is a simple reason for this.

Date: July 17, 1986

Earnings Sales 800 400 200 1977 80. 82 84 88 ° 80 82 84 96

"Prudence," he says. "Our strategy has been to do our acquisitions on a low risk basis—having a look at the numbers from the inside before we buy the business out. We've been criticised for paying more that way than we would with an outright bld, but it's a question of your approach to risk."

your approach to risk."

The latest purchase from the oil group Mobil, is to be through a company formed for the purpose, JSC/MS Holdings. JSC/MS is a 50-50 Joint venture between Jeffarson Smurfit's US subsidiary, Jefferson Smurfit Corporation, and Morgan Stanley the ITS inventment hand. ley, the US investment bank.

The purchase price will be principally met by \$600m of bank borrowings, secured against net assets of \$671m, and the aala of \$400m of what is politely known as subordinated debt.—less politely hunt bonds politely known as subordinated debt—less politely junk bonds. Liability for the debt is wholly a matter for JSC/MS, with the joint owners being hable only for their equity stake—which, though not discloyi, is apparently of token

The general idea is that between four and seven years from new Jefferson Smurfit will buy out its equity partner. There is no obligation to the conversely Morgan Stanley is entitled to sell to anyone else if Jefferson Smurfit denurs.

DR MAURICE GILLIBRAND, a to the board on a show before in the wake of surprisingly

former director of research at being overwhelmed by proxy poor interim results. Sir Michael reduction about future dissident Shareholders Action also re-elected as chairman by Group, failed to win election 98 votes to seven, having said to the board at yesterday's he would not rely on proxy of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the first three distinctions are received by the control of the control

the troubled Chloride battery company and now leader of the dissident Sharcholders Action Group, failed to win election to the board at resterday's AGM.

Dr Gillibrand, a critic of the Chloride management strategy for several years, was defeated on a show of hands by 75 wotes to 24. Last year he caused a brief upset by winning election with the company into one of the world'a com

NOTICE OF REDEMPTION

THE LONG-TERM CREDIT BANK OF JAPAN

FINANCE N.V.

U.S. \$125,000,000 151/8 Guaranteed Notes Due 1989

Unconditionally guaranteed as to payment of principal,

premium (if any) and interest by THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED

NOTICE IS HEREBY GIVEN that, pursuant to Condition 6(b) of the Notes, The Long-Term Credit Bank of Ispan Finance N.V. (the "Company") has elected to and shall redeem on August 20, 1986 (the "Redemption Date") all of the outstanding Notes at a redemption price of 1014% of the priorinal amount thereof plus accrued interest thereon to the Redemption Date (the "Redemp-

the priocipal amount thereof plus accrued interest thereon to the Redemption Date (the "Redemption Price").

The Notes shall become due and payable on the Redemption Date at the Redemption Price which shall be paid upon presentation and surrender of the Notes together with all coupons thereto appertaining maturing after the Redemption Date at either (a) the Corporate Trust Office of Morgan Gueranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b) at the main offices of Morgan Guaranty Trust Company of New York in London, Frankfurt/Main and Brussels, the main offices of The Long-Term Credit Bank of Japan, Limited in London and Singapore, the main office of LTCB Asia Limited in Hong Kong, the main office of Banque Internationale à Luxembourg S.A. in Luxembourg and the main office of LTCB (Schweiz) AG in Zurich. The coupons for interest due on or before August 20, 1986 should be detached and collected in the usual manner.

The Notes will no longer be outstanding after the Redemption Date and Interest on the Notes will cease to accrue from and after the Redemption Date and the coupons for such interest shall be void.

Payments at the office of any paying agent outside of the United States will be made by United States dollar check drawn oo, or by transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service ("IRS") and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person, or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

HILLSDOWN HOLDINGS plc

HAS ACQUIRED

STERLING-WYGATE LIMITED

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AND ACTED AS ADVISOR TO

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GRANVILLE

THE LONG-TERM CREDIT BANK OF JAPAN

FINANCE N.V.

Chloride rebel fails to win seat

The origins of the deal lie with Morgan Stanley. Some nine months ago, Mobil said publicly that it was reviewing its operations, and Morgan Stanlel, which has among its executives a former chairman of tha US group International Paper, pursued the hint, involv-ing Smurfit along the way. For Smurfit, tha chance was

in one sense inopportune. In February, the \$133m purchase of 80 per cent of Publishers Paper Company, a newsprint maker, had pushed balance sheet gearing over tha 70 per cent mark.

The answer was to keep the whole deal off the balance whole deal on the balance sheet, a manoeuvre for which Smurfit already had a US precedent. In 1982, the group brought out the Diamond paper and packaging interests of Sir James Goldsmith. Again, the deal was a 50/50 venture, with Clark Industries, a Chicago holding company. Clark was bought out in 1983.

"It was the same principle," says Robert Holmes, Smurfit's head of finance. "We kept the deal off the balance sheet until It was financially reasonable to take It on."

How soon it will be reasonable to take Container Corpora-tion on is not easy to say. Smurfit's gearing is already down 10 points or so from the February level, chiefly because

of a handy \$40m of cash flow already generated by the Publishers Paper acquisition. But as Mr Holmes makes clear, it will be hard to maintain this pace. There was a big one-off cash flow benefit through Times Mirror newspapers, the previous owner of Publisher Paper and by far its biggest client, agreeing to pay bills weekly instead of monthly.

The latest deal is on a wholly different scale from its pre-decessors. The Smurfit group has sales worldwide of around \$1.3bn, against Container Corporation's \$1.7bn, and the combined group looks to be the biggest supplier of cardboard and cardboard boxes in the US.

Smurfit are non-committal on this. "The one thing that could stop this deal is the anti-trust stop this deal is the anti-trust angle," says Mr Holmes. "We don't want to publish market sharea—it could be shooting ourselves in the foot."

The decision to go further able levels before taking the part of the could be shooting ourselves in the foot." The decision to go further into US paper and packaging is

in the UK, but opportunities just don't come up as often as in the US."

Smurfit dropped out of the Mardon auction because it felt the price was too high. On the face of it, the price being paid for Container Comporation looks at least as high, measured against its net earnings last year of just \$45m.

"But the plants are very modern," says Mr. Holmes." Mobil has invested around \$500m in capital expenditure over the past five years. The return un capital expenditure over the past five poised to take off. When we bought the Diamond International mill from James Goldsmith it was in loss, but he had just spent a lot ou it, and it was profitable within nine months."

agencies

Hogg Robinson, 2s a major insurance broker, has a thriv-

centred on its personal insur-

di its personal insur-ance broking expertise.

Mr Brian Perry, group deputy chairman and chief executive of the Travel, Transport and Financial Services Division, regarded the maye as a primal exten-

the move as a natural exten-

sion of the personal financial

operations.

He pointed out that the new Hogg Robinson Property Services company could offer an impartial planning service covering products connected with house buying and other contracts.

Negotiations are in progress to acquire other estate agency businesses. Mr Perry pointed out that the plan at

present was to establish a major presence in Southern England only, with considera-tion at a later stage as to whether to have a national

estate agency chain. Ho hoped to have at least 100 offices in the south by the end of the

This phased development follows the pattern adopted for Hogg Robinson's involve-ment in the travel business.

It is in contrast to that of the other institutions which have

gone straightaway for national chains of offices.

Sutcliffe Speakman, the

Sutcliffe rights

Eliza Tinsley

By Eric Short

HOGG ROBINSON GROUP hogg RUBINSON GROUP has become the first major multinational insurance broker to move into the UK estate agency business. Its Travel, Transport and Financial Services Division is acquiring two estate agency operations in the Thames Valley area for 55 75m

Smurfit is also optimistic about the outlook for the US industry, with prices of corrugated and linerboard recently gated and inercoard recently recovering from very depressed levels. On the other hand, there is little sign of recovery in the price of woodland, of which Smurfit is buying a million acres as part of the deal.

"We didn't have the option," says Mr Holmes. "Mobil were not selling piecemeal, Certainly, timberiands are not tha thing to buy at present, but it does give a guaranteed supply of 25 per cent of Container Corporation's wood requirements—and, after all, it could be a very different story over the long term."

The whole deal is, on one

into US paper and packaging is next step.

not purely dogmatic, as illustrated by Smurfit's failed attempt to buy tha Mardon packaging gromp in the UK opportunities present themfrom BAT last year (it went to a management buyout for £173m).

"Paper and packaging is the business we know," Mr Holmes of this week, when details were first public, Smurfit shares But on the one hand, as Dermot Smurfit says. "you've business we know," Mr Holmes of this week, when details were says. "The US has the biggest share of that business in the world. We'd love to be bigger to a peak of (Ir) 258p.

### Stakis to purchase Plan Invest in £2.8m deal

BY ALICE RAWSTHORN

Stakis, the hotels, property 51.83 per cent of the company's

in its 1985 financial year, to December 31, it produced pre-tax profits of £234,000 and accumulated net assets of

£492,000.

In the first half of this year the company had unaudited pretax profits of £160,000. ex profits of £160,000.

Stakis, which is advised by a hostile £175m bid from a merchant bank, Schröders, Turner and Nowall, announced has offered two of its ordinary shares for every one Plan Invest ordinary share with a cash alternative of 120p for each Plan

alternative of 120p for each Plan Invest share. Stakis's shares rose by 1p to 64p on tha announcement of tha offer yesterday, while Plan Invest's shares soared by 18p to 123p.

The directors of Plan Invest—which is addised by Robert Wigram—have already accepted the Stakis offer.

Together they hold 1.14m or

Stakis, the hotels, property and finance group, unveiled proposals yesterday to acquire the USM-quoted personal financial planning consultancy, Plan Invest, in an agreed bid which values Plan Invest at £23m.

Plan Invest manages personal financial portfolios and offers financial advice to individuals, In its 1985 financial year. to the eponymous company, Plan Invest will function as an "onshore complement" to Mamin and will form the basis of Stakis's expansion into financial services in England.

AE sale

Turner and Newall, announced yesterday that it has sold AE Engine Parts, its Canadian Distribution Company, to Ertel of Indianapolis for asset value which is about £2m.

Mr David Allday, the finance direcor, said that the company had become only marginally profitable un sales of about £8m. Continuity of tha distribution of AE's products in Canada has been ensured through a long term supply agreement. Sufcliffe Speakman, the engineering and carbon manufacturing company, which underwent a reverse takeover by Wymnouth Lehr n year ago, is raising £1.6m via a rights issue. The proceeds will be used to modernise the carbon plant at Leigh and to reduce borrowings.

Shareholders are being offered one unit for every 16 shares held, with each unit comprising one new ordinary share of 25p, one 91 per cent redeemable cumulative preference share of £1 and a warrant to subscriba for ordinary shares at 75p a share. The units are being offered at 145p each.

### Boase rights disappoints

Bosse Massimi Pollitt, the advertising agency, met with a disappointing response to its f9m rights issue which closed yesterday. The agency received subscriptions for just 63 per cent of the 3.87m new ordinary shares issued.

The agency's stockbrokers, Rowe and Pitman, attributed the unenthusiastic response to the issue to dull market condi-tions and to the fact that the BMP rights issue followed hefty

casb calls from two other adver-tising agencies, Saatchi and Saatchi and Wight Collins Rutherford Scott. BMP's shares have also been depressed by steady selling from an institutional share-

offering two new shares at 250p for every seven shares already held — BMP's shares stood at

A fall of 13 per cent from £754,000 to £651,000 in pro-tax profits for the year to March 51 1986 was reported by Eliza Tinsley, a West Midlands' manufacturer of agricultural machinery. The final divided by tax-handed Comm. Bank of Wales Pre-tax profits at Commercial Pre-tax profits at Commercial Bank of Wales rose from £963,000 to £1.05m in the year to June 30 1986. Tax rose slightly from £345,000 to £368,000. After an extraordinary debit of £68,000 this time, attributable profits were static at £617,000 (£618,000).

Stated earnings per 25p share were 2.57p compared with an adjusted 2.93p. cultural machinery. The final dividend is unchanged at 1.8875p net for a same-again total of 2.8875p.

Tax for the year was lower at £264,000 compared with £298,000, and stated carnings per 5p share — the company's shares are traded on the Unlisted Securities Market — were 5.47p (6.67p, after an extraordinary debit of \$55.600)

Granville & Co. Limited 8 Levet Lane London EC3R 88P

3.2

### Insurance AMS to improve broker buys in second half into estate

consideration has been based on the projected properties. The agencies being acquired are Vernon and Son with 15 offices in Orfordshire, and Howard Son & Gooch, with 16 in Berkshire, Buckinghamshire and Orfordshire. Their main strength is in residential property, but each has a growing valuation and survey business, while Howard Son & Gooch has an expanding commercial property operation.

Consideration has been based on the projected profits for the current year—Vernon having recorded pre-tax profits of £224.000 for 1985-86 and Howard £261.000. It will be satisfied by the issue of 3.46m floating-rate unquoted £1 cumulative redeemable preference shares, with the balance in cash from Hogs Robinson's existing resources.

The group expressed its sound systems and hand held year ending Jam computers.

At the annual meeting in April, the directors of AMS pointed to the imbalance of use for its alm profits between the two half years, and projected a 20 per cent decline for the six months ended May 31, 1986.

Sound systems and hand held year ending Jam Comment

AMS looks in his ingly large cash of called a six months ended May 31, 1986.

In the event turnover fell 24 per cent to £1.86m and operating profit by 34 per cent to £929,000. But interest received and other income rose to £202,000 (£37,000), for a pretax profit of £1.13m (£1.44m). Earnings were down to 2.38p (3p) per share.

The directors expressed confidence that the second half dence that the second half would be significantly shead of

The group expressed its concern not to dilute the equity and did not foresee any dilution in the earnings the period now reported, and are paying an interim dividend of 0.5p net. Cash balances totalled £3.6m after funding the per share for the current year to March 1987.

The acquisition depends on shareholders approving the issue of the new preference shares. purchase of a factory.

remaained buoyant; and the interest expressed in the new Audiofile range was being translated into ongoing sales and deliveries, they reported. It

Sales of hand-held computers was intended to extend the given that range of traditional audio products later in the year.

Consideration for Calrec will fessionals.

FIRST HALF profit of AMS Industries followed the pattern indicated, with a reduction of nearly 22 per cent. But the directors yesterday reaffirmed their confidence in the future, and also amounced the acquisition for cash and shares of Cairec Andio, which will provide a further avenue for expansion.

Cairec is a privately owned electronics company, designing and manufacturing equipment for the professional andio market. AMS came to the stock market last October, and makes microprocessor based sound systems and hand held computers.

At the arread meeting in Comment

AMS fooks to have found good use for its almost embarrassingly large cash pile—the purchase of Cairec is being made chase of Cairec is being made at nine times earnings, three full points below AMS's historic of multiple on a 70p ahare price. Further, there is every reason to expect that Cairec's management will exceed the £300,000 ingger level on the profit sharing arrangement for the year to January 1987. This will still leave the coffers containing £2.35m, as the cash element in the purchase price is only £1.25m. However, AMS's core sudioprocessor business was slower in the first half and the new AndioFile range was launched too late in the period new AudioFile range was launched too late in the period to make much impact. Shipments of the new products have now picked up and the brokers are happy to stick by forecasts of £3½m for the year, allowing only £100,000 for one quarter from Calrec. On a prospective was at the column to the column p/e of 91 the shares look cheap given that the AudioFile range has a five year plus life ahead of it, according to the pro-

### SE will force Backhouse to alter Authority terms

BY MARTIN DICKSON

loan stock issued to pay for the proposed takeover of Authority investments by a group of City financiars will have to be altered

Mr David Backhouse and his as is required by the rules. associates in Management Group Some 2.5 per cent of the stock have made a £6.6m offer for will now be offered to the marhave made a £6.8m offer for Authority an investment and property development company. Its shareholders are expected to give the green light to the deal today, when they vote on a share enfranchisement plan which is a pre-condition of the

takeover.

In June £8m of convertible stock was placed by L. Messel, the stockbrokers, as part of the deal. However, it later emerged by the third convergence of the that this contravened Stock Exchanga guidalines, which limits to 20 per cent of a com-pany's equity tha amount of shares that can be issued in a

After a meeting with the Stock Exchange. Mr Backhousa said last night that the loan stock would have to incorporate an undertaking that no more than 20 per cent could be converted in any one year.

The problem may well prove academic, since holders of the stock are unlikely to convert until Authority's dividends exceed the coupon on the issue—which is probably some years away—and by this time second half last year by Burmatex was maintained in the opening half of the current year, and pre-tax profits advanced from £689,000 to £955,000.

The interim dividend is raised from 2p to 2.75p net, and absorbs £193,000 compared with £140,000, leaving retained profits up from £259,000 to £407,000. Stated ekrnings par 10p share improved from 5.7p to 8.57p. After a meeting with the

THE TERMS of a convertible Authority is likely to have increased its equity.

The Stock Exchange quotainvestments by a group of City tions department yesterday financiars will have to be altered inquired about two other because it does not comply aspects of the placing. First, no with Stock Exchanga regula-shares were made available to

> Second, Mr Backhouse said the exchange had asked about the 190p conversion price placed on the shares, in the light of a sharp rise in Authority's share price shortly afterwards. However, he had ben able to satisfy it that this was due to the rival 500p; a share tender offer for Authority launched by Berkeley House, which failed earlier this week.

Burmatex

The much stronger all round: performance achieved in the second half last year by

### The Finnish Paper Mills' Association – Finnpap U.S. \$100,000,000

Floating Rate Notes Due 1995

In accordance with the terms and conditions of the Notes, the rate of interest for the interest period July 30, 1986 to January 30, 1987 has been fixed at 64% per annum. Interest payable on January 30, 1987 will be US\$345.00 per Note of US\$10,000.

Agent Morgan Guaranty Trust Company of New York London Branch

CARBORUNDUM ABRASIVES plc THE LARGEST INDEPENDENT EUROPEAN MANUFACTURER OF ABRASIVES

HAS ACQUIRED

POLY BAUELEMENTE AG

THE UNDERSIGNED INITIATED THE TRANSACTION AND ACTED AS ADVISOR TO CARBORUNDUM ABRASIVES ple

GRANVILLE

### **UK COMPANY NEWS**

# Havelock Europa jumps 83% and confident

AN 83 per cent adance in pre-tax profit was acleved by Havelock Europa in he year emied April 18 1986. he group operates as a shop iter and stores designer, and s traded on the USM.

on the USM.

Turnover rose fron £8.6m to £14.3m and the profitefore tax from £631,000 to £1.5m. This included £114,000 thm Store Design for four wess.

The merger with Sire Design in March in exchare for tha issua of 6m shareseffectively devaled the given of the group.

doubled the size of the group, which is based in potland.

Mr Tom Corriga chairman, said the performan reflected tha benefits of the increased

capacity provided last year, and the group's continuing success in obtaining a share of the significantly larger contracts being awarded.

The market for shopfitting and stores refurbishment

continued hooyant with most of the retail stores groups and multiples implementing or announcing larger programmes. On the current year, he said it had started with a substantial volume of orders in hand, end new business obtained during the first quarter had been sectifications.

enlarged group was particularly well-placed to benefit from the opportunities available and should continue to progress in

The enlarged group had some 25,000 sq ft of modern and well-equipped production facilities, and was able to offer en enhanced sarvice, Mr Corrigan said.

On the current year, he said that started with a substantial volume of orders in hand, and new business obtained during the first quarter had been atisfactory.

With the prospect of continuing buoyancy in the shopfitting narket, he believed the said starts and said.

In tha past year, net profit came to £708,000 (£343,000) after tax £447,000 (£288,000).

Earnings were 10.89p (£5.72p) and the final dividend is £89p on the increased capital for e net total of 4p (2.3p). The cost is £413,000 (£138,000).

# ahead in first half

D J Security profit

Manchester-based USM company, improved its pre-tax profits from £85,000 to £105,000 legislation had caused an in the half-year to April 30 increase in the amount of tax 1986 on turnover up from payable—up from £12,000 to £32,000—and that had resulted interim dividend is unchanged in a small reduction in earnings at 0.65p—last year's total was 1.5p from pre-tax profits of from 6.08p to 5.95p undiluted, and from 1.83p to 1.79p fully the first of the directors said that during diluted.

The directors said that during diluted.

The directors said that during diluted.

The increase in turnover and profits before tax were a direct prospects, particularly in telecommunications installations in new branches, all of which were trading profitably, said

and maintenance.

They added that BSI approval the directors.

In directors.

The company looked forward to further growth in the second tain types of telecommunications equipment, and the company's investment in that had the results from the new Liverbeen enhanced by acquisitions of e long-established communications the established Leeds branch.

### Blue Circle SA down 26%

THE CONTINUING depression R110,000 (R109,000) attribut-THE CONTINUING depression in South African construction hit Blue Gircle Ltd, the 42 per cent owned South African associate of Blua Circle Industries. In the half-year to end-June 1988 pre-tax profits were down by 26 per cent from R5.634m for seven months to R4.16m (£585,000 at tha financial exchange rate) on turnover of R146m against R151m.

After tax of R663.000 (R109,000) attributable income cama out at R3.39m (£4.79m). Directors said thet although the figure was down it was a marked improvement on the second half of the previous year.

No dividend is being paid, against 11 cents last time, following the passing of last year's final but consideration will be given to a final this

No dividend is being paid, against 11 cents last time, following the passing of last year's final but consideration will be given to a final this time.

tisement is issued in compliance with the regulations of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the great of permission to deal in the Company's Ordisary shares in the Unlisted Securities Market. It is emphasised that no application has been made for these securities to be admitted to listing.

# OMNITECH plc (Incorporated in England under the Companies Act, 1985. Company No. 1967497)

SECURITY EXCHANGE LIMITED

GREIG, MIDDLETON & CO. 3,000,000 Ordinary Shares of 1p each at 33p per share

Share capital

Issued and now being issued fully paid

Authorised £200,000

30th July, 1986

Ordinary shares of 1p each

£180,000 The Group's principal activities are the design and development of innovative packaging machines and systems which include horizontal wrapping machines and product inspection machines and the provision of advisory services to manufacturers. The marketing of the Omnitrac

horizontal wrapping machine will commence shortly. A proportion of the shares being placed has been offered to the market and may be available to the public during normal business hours today. Full particulars of the Company are available through the Extel Unlisted Securities Market Service. Copies of the Prospectus and Extel Card can be obtained until 8th August, 1986 from:

Security Exchange Limited 24 Austin Friars London EC2N 2EN

Greig, Middleton & Co. 78 Old Broad Street London EC2M 1JE and at 139 St Vincent Street Glasgow G2 5JP

# Radius expands 30% midway

Radius, Hull-bed computer systems companywhich joined the USM in October last year, has annoiced a 30 per cent rise in priax profits for the six months May 31, 1936.
On turnove ahead from 23.50, the pre-tax result came it at £681,000, against £524,00 For the year ending Noveber 1985 tha group achieve £991,000.

The directs have declared of 4.6p (3.5p). For 1985 a total of 0.44p was paid.

Mr Edward Sharp, the chairman, said the directors were confident of maintaining progress into the second half of the year. The group was actively planning for a further uplift in 1987, he added, when its computer systems solutions and services offered would be extended to cover the new generation of standardised hardware systems. The directs have declared an interim differed of 1p, to be

to cover the new generation of standardised hardware systems.

tha market for the group's ser-vices had continued to be buoyant. The trend to higher margin value-added activities had continued with particular

progress in the areas of soft-ware and maintenance services. Cash liquidity continued to increase in the period, Mr Sharp said, and the group was well positioned should further acquisition opportunities arise.

After tax of £228,000 an interim diffend of 1p, to be Commenting on the interim (£227,000) attributable profits After tax of R663,000 paid from easings per 5p share results the chairman said that amouted to £453,000 (£297,000). (R739,000) and minorities of

### FT COMMERCIAL LAW REPORTS

## Sellers not liable for river delay

R PAGAN & FRATELLI V per Centrocon charterparty...
FINAGRIN COMPAGNIE WIPON [whether in port or
COMMECIALE AGRICOLE ET not]." NANCIERE SA
Queen'sBench Division (Commercial Court) Mr Justice Stachton: June 19 1986

WHEE A contract for the sale f cargo provides that loads time is to count as per he terms of a standard chaerparty, tha incorporated ters include provisions as to hen time ceases to count as ell as when it is to start; ar the sellers therefore day caused by river conms provide that time is to ems provide that time is to ease for obstructions beyond the charterers' control and rat no demurrage shall be calmed in respect of the

Mr Justice Staughton so beld wen allowing an appeal by sliers, R. Pagnan & Fratelli, fom an award of the Board of ppeal of the Grain and Feed rade Association (Gafta), that ney were liable to pay demurage to the buyers, Finagrain Compagnie Commerciale Agri-

cole et Financiere SA.
HIS LORDSHIP said that on
January 17 1978 the sellers agreed to sell 25,000 metric tons of Argentine flint maize to the buyers, for shipment in April 1978. Shipment was to be as to two-thirds from one upriver

TURNOVER

TRADING PROFIT

**EARNINGS PER SHARE** 

**PRETAX PROFIT** 

**DIVIDEND UP** 

not]."
The sellers did not intend to ship the goods. Nor did the buyers intend to receive them.
They agreed to sell a much larger quantity to V/O Exportkhieb of Moscow for shipment

between March and July 1978, by a contract which provided that at loading sellers would pay demurrage "as per charterparty The charterparty referred to was between V/O Sovfracht as time-charter owners, and V/O Exporthheb as charterers. It included clause 13 of tha Centrocon form which provided that time for loading was to

commence 12 bours after notice of readiness was given; and clause 30 which provided that if the cargo could not be loaded by reason of a strike . . . or . . . obstructions . . beyond the control of the charterers . . . time for loading shall not count

shall be made ....
The buyers nominated the Adolf Leonbardt, and the sellers nominated Rosario as the

upriver port for loading the two-thirds quantity. On April 15 the vessel arrived at Intersection in the River Plate, which was the intersec-tion of the Rivers Parana and

Age to one-third from Buenos

Aires.

The contract provided that the general conditions were to be those of Gafta form 64, but that leading time was to count.

Congestion will upriver ports. to those provisions in the Cellson in th

NORTON OPAX

ANOTHER RECORD YEAR

River Parana; and that Inter-section was a recognised waiting port. As the contract speci-fically provided for time to count "whether in port or not," the board found that the notice of readiness given by the ship at Intersection was a good notice

of readiness under the contract. The vessel waited at Intersection for some time then, on May 2, she arrived and anchored at Rosario. Loading was com-pleted on May 24. On May 25 she arrived at Buenos Aires roads. She completed loading on July 1,

The buyers said that the time for loading was exceeded by 50 days and that they were entitled to demurrage. Their net claim was \$45,853.

Tha arbitrators and the Board of Appeal allowed the claim in

The sellers said they were not liable to the buyers in respect of some of the periods of waiting. They argued inter also that the strike clause of the Centrocon charter party exempted sellers from liability for de-murrage, since the cargo could not be loaded by reason of "obstructions" beyond their

The relevant words of incorat Intersection in the River Plate, which was the intersection of the Rivers Parana and Uruguay.

The ship's agents informed the buyers that she had anchored at intersection due to beavy congestion of upriver ports.

The relevant words of incorporation in the sale contract were "time to count as per Centrocon charterparty." The main point was whether "time to count "referred only to commencement of laytime, or also congestion of upriver ports.

loading time was to count "as congestion was endemic to the to all the provisions of the

£72.1m UP 77%

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10.01p UP 24%

3.5p UP 24%

Centrocon form as to when time should and should not count, including clause 30 which was the material clause.

The Board of Appeal reached the opposite conclusion for two ns. First they conside that the strike clause in Gafta Form 64 was the proper clause. That clause was concerned with the obligation to ship the goods during the period pro-vided by the contract. It did not touch on the question who should bear the risk if a ship nominated by the buyers to load was delayed. It had no bearing

on the present issue.

The board's second reason was that the River Plate and River Parana were notoriously subject to congestion and it was unable to accept that any ship-owner would agree to the Centrocon strike clause being applied to laytime for loading two-thirds one river port and one-third Buenos Aires, However, Soviracht and Exportible did in fact agree

to a charterparty containing the Centrocon strike clause. That charterparty was agreed to be the instrument regulating liability for demurrage between Exportkhleb and the buyers.

As between the buyers and sellers that liability was not

placed on the sellers.
Once clause 30 of the Centrocon charter was held to be incorporated there was little room for argument. NV Reederij Amsterdam v President of India [1961] 2 Lloud's Rep 1 India [1961] 2 Lloyd's Rep 1 held that "obstructions" in the clause included congestion in a port which prevented the ship from obtaining a berth.

Mr Hallgarten, for the buyers, sought to distinguish that case in that there was an express finding that congestion at New Orleans was neither normal nor usual; whereas congestion in River Parana was endemic and notorious.

gestion in River Parana was endemic and notorious.

That made no difference.

"Obstructions" was no less apt to cover ordinary congestion than extraordinary congestion.

Accordingly, the sellers were not liable for demurrage.

Another issue was whather notice of readiness could be given at Interection.

given at Intersection.

The effect of "WIPON" was to avoid in part the rule that a vessel must have arrived at the port before laytime could commence. But how near to commence. But how near to the port must the vessel be when notice of readiness was

when given? given?

Mr Johnson submitted that notice could be given at Rosario roads but no earlier. Mr Hallgarten said the vessel must reach a usual waiting area for the port in question.

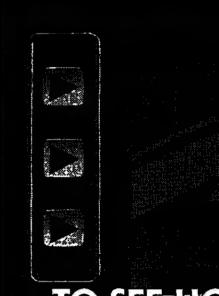
It was not unlikely that use of "WIPON" might have been directed et ports with no waiting area. In point of geographical proximity, therefore, Mr Hallgarten'e solution was ureferable.

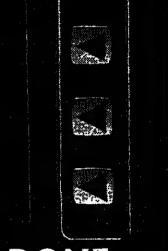
preferable. Besides geographical proxi

charterers.
In El Oldenorff v Tradax [1974] AC 479 Lord Diplock said that "distance from the actual berth becomes of less importance as steam and diesel replaces sail and instantaneous radio communication is available..."

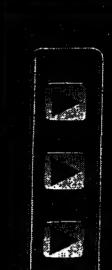
A vessel was as effectively at the disposition of the charterers the disposition of the charterers at Intersection as modern conditions demanded, given that she was not required to be in Rosario by reason of "WIPON." Had it been necessary to decide the point, the court would have upheld the Board's conclusion that notice of readiness could be given at Intersection.

For the sellers: David John son QC and Martin Moore-Bick (Middleton Potts & Co). For the buyers: Authory Hall garten, QC and Martin White (Lovell White & King). By Rachel Davies





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For a copy of our Interim Report please write to: The Secretary, est write to: The Secretary, National Westminster Bank PLC, 41 Lothbury, London EC2P 2BP.

### ANNUAL STATEMENT mity, there was an additional requirement that the vessel should be at the immediate and NOTICE OF EARLY REDEMPTION The year ended 31 March 1986 has seen continued progress

ty the group on all fronts, with increased profits deriving tom businesses acquired in the previous year and from subtantial growth of existing activities.

HIGHLIGHTS FROM DAVID ROCKLIN'S

Both turnover and trading in the first quarter of 1986/7 are onsiderably ahead of the corresponding level last year.

1		
UMMARY OF RESULTS	1986 £000	1985 £000
JURNOVER	72,130	40,743
TRADING PROFIT (BEFORE INTEREST)	6,958	3,263
ROFIT BEFORE TAXATION	<b>5,16</b> 7	2,201
EARNINGS PER SHARE (p)	10.01p	8.07p
PIVIDENDS PER SHARE (P) (NET)	3.5p	2.833p

Copies of the Annual Report, containing the Chairman's Statement in full are obtainable from The Secretary, Norton Opax plc, Norton Opax House, 11 Ripon Road, Harrogate, HG1 2JA.

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("THE BONDS")

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On September 1, 1986 the redemption price of 104 per cent will become due and payabla upon each Bond to be redeemed, together with accrued interest from September 30, 1985 emounting to US\$288.46 per US\$5,000 Bond. The right to convert the Bonds into fully paid shares of the Company will terminate on September 1, 1986, the date fixed for redemption. Bonds surrendered for conversion will not be swittled to accrued interest and must have attached for conversion will not be swittled to accrued interest and must have attached for conversion should be lodged in accordance with condition 5(b)(i) at the offices of the Conversion Agents specified on the Bonds on or before September 30, 1986. The Bonds are presently convertible into fully peld sheres of the Company ut the price of Year 1,450 per shares. At such conversion price the holder of US\$5,000 principal amount of Bonds would receive 855 shares of the Company (using the fixed exchange rate specified in the conditions of Yen 242.35—US\$1). The reported closing price on July 10, 1986 of the shares of the Company on the Tokyo Stock Exchange was Yen 4,360 per share. At such a price, the holder of a Bond of US\$5,000 principal amount would receive upon conversion 835 shares having an aggregate value of Yen 3,632,250.

Fellure to deliver Bonds for conversion on or before September 1, 1986 will automatically result in redemption at a price (including accorded letwest) of Fallure to deliver Bonds for conversion on or before September 1, 1996 will support to the september of the september of the september 1, 1996 will US\$5,298,46 for each US\$5,000 principal amount of Bonds.

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Manufacturers Hanover Limited

30th July, 1986

Crisis management

# How the unimaginable can become a reality

BY CHARLES BATCHELOR

FOR UNION CARBIDE, the US chemicals giant, it began in December 1984 when a huild-up of pressure caused a leak of deadly methyl isocyanats into the air of Bhopal, India, killing 2,000 people and injuring tens of thousands more.

For Heineken, the Dutch

by Total, the French company.

A growing awareness of the broke its back one wintry night in 1979 at Gulf's Bantry Bay terminal in the south-west of the shape of crisis management a sudden crisis of such magnitude that their standard business training and routins

business procedures were illequipped to cope. More and more managements have to deal with acute commercial and often moral dilemmas which stretch them to the limit. A crisis can often paralyse them. We went into one company 2 hours after an incident," says Christopher Grose, a director of Control Risks, which advises companies on the threat of kidnap and extortion. "The board had not left the board-

room. They were exhausted but had not taken a single decision. They did not know what questions to consider." Many companies have not considered how prepared they are, "You would never anticipate in your wildest dreams

what happened over there [Bbopal]," says Ronaid Wishart, vice president of public affairs at Union Carbide, "Before Bhopai, if one person died in an accident it was considered a great tragedy. I don't care what you could have done, you would not have been pre-pared for it."

cern about the dangers of asbestos which pushed many companies in the industry to the hrink of bankruptcy. The con-sequences can he serious and

lasting.
Union Carbide not only faced international moral censure for For Heineken, the Dutch hrewing concern, it started in Novemher 1983 when a masked gang seized Freddle Heineken, the company chairman, together with his chauffeur, from outside the group's canalside headquarters and raced off into the Amsterdam traffic.

For Gulf Oil the signal was "a sound like a creaking door in a horror movie" as the Betelgeuse, an oil tanker owned by Total, the French company.

Omion Caronic and consure for its failure to prevent the Bbopal tragedy. Its share price slumped; it was downgraded by the US credit rating agencies: a forced to sell large parts of its husiness to escape a hostile takeovsr bid—prompted by its difficulties—from GAF Corporation. It still faces legal claims for damages running into hillions of dollars.

A growing awareness of the

the Irish Republic, sparking an consultants. Whatever the explosion that killed 50 people. crisis, they claim, it can be The managements of these planned for and its impact three companies all experienced reduced.

Though many industriessuch as chemicals, oil and gas power generation and the air-lines—are encompassed by a web of safety legislation most companies would be unprepared if disaster struck.

"The majority of companies is badly prepared," comments Huw Thomas, a consultant.
"Companies pay ma to draw np far-fetched scenarios of what might happen. Some of them, awfully, amazingly, do come up."

A recent survey of the chief executives of the Fortune 500 companies showed that while 89 per cent of those who responded agreed a crisis was inevitable, a full 50 per cent admitted they had no plan for dealing with it.

of preparedness, no fewer than scare). 97 per cent felt confident they • The

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must clearly take into account the possibility of an aircraft crashing or being hl-jacked; oil companies face the prospect of a blow-out, a fire or a strike putting a North Sea oil rig out of action; pharmaceutical and food groups run the risk of food groups run the risk of deliberate or accidentail product contamination.

Even companies with a low corporate profile or a benign public image in their home country must take account of the possibility of terrorist attack

"Companies should review the situation every year to catch newly-developing prob-lems," says one consultant. • The corporate philosophy of ethic. An apparent luxury in good times, this can help many companies through a crisis. The handling of the situation hy Johnson & Johnson, the US drugs group, when its Tylenol painkiller capsules were painkiller capsules were poisoned in 1982, is widely a successful regarded example of crisis management.

"The company's basic philosophy was that its first responsibility was to its customers, secondly to its employees, thirdly to the environment and fourthly to its stockholders," says James Murray, assistant director of public

"We took the view if we took care of the first three, tha stock-bolder would be well cared for." Johnson took the decision to remove Tylenol from sale throughout the US at a cost of \$100m despite the fact that per cent of those who responded agreed a crisis was inevitable, a full 50 per cent admitted they had no plan for dealing with it.

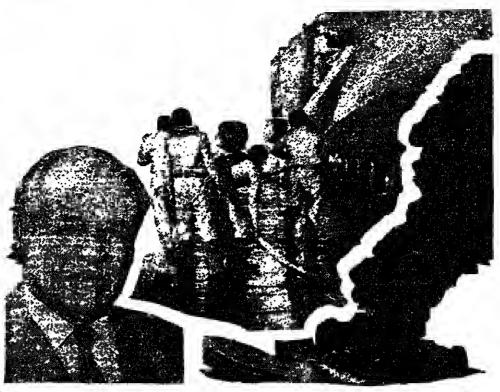
Of those companies which had had a crisis in the past, 42 most of the market share it per cent still did not have a plan in the event of another one striking. Despite this lack of preparedness, no fewer than scare).

97 per cent felt confident they could respond well.

So what should a company do to prepare for the worst? Its response will depend on the industry in which it is involved but some general themes bave emerged from the experiences of recent years.

Scare).

The quick response. British Airways handles major emergencies such as an aircraft crash or hijacking through a special emergency centre in the basemant of its operations head-quarters at Heathrow. The duty operations manager calls in 25 Crises may occur suddenly—
in the form of a hostile takeover hid—or cumulatively—
like the growing public con
untry in which it is involved that the stress of a quarters at Heathrow. The duty operations manager calls in 25
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and training—if an incident is reported.

If all goes according to plan

tha operations room team and an information team equipped to deal with inquiries from the press and public should be in place within en hour. "There is no donbt that a well-co-ordinated response has a direct impact on the survival rate," maintains Bob Macdonald, BA's manager of operational contingencies. "A well-handled incident also reassures the public of the integrity of the overall operation."

Few companies have the need or the facilities for such an extensive organisation for crisis management but the basic prin-"The first thing you need to know is who has to make the decisions," says Howard Abhott, of Product Safety, a specialist

consultancy. Responsibility. In a crisis attention tands to focus on the man at the top—the chairman or chief executive. However.

the experts warn against his getting too involved in the details of the emergency at the expense of overall strategy. "You don't want all your top management deeply embrolled in handling the crisis," says Grose, "They might think it will only last 15 days but they

You want an organisation which yon want an organisation which will last the course."

The day after news of the Bhopal tragedy reached Union Carbide's headquarters, Warren Anderson, the 63-year-old chairman and chief executiva ignored the text heads and five text heads. the text books and flew to India was promptly, if hriefly, placed under house arrest.

It was not until 10 days after the accident, by which time Anderson had returned to the US, that Union Carbide formalised its crisis management objectives and pnt together a team.

O Communications. A company must rapidly control the flow of news and be ready for the atten-tions of the public, the press and the authorities.

"Don't speculate in the early stages but do establish yourself as the sole authoritative source of information," saya Michael Regester, of consultants Tra-verse-Healy and Regester. "The media will go to other sources of information if the company

of information if the company doesn't provide it."

Rehearsal, Regular practice of mock crises is essential to train staff, the experts say.

The stress. Even the most thorough training programmes cannot prepare managers or junior staff for the stress of a crisic Staff should be given

"Solidarity is easy to maintain in the early days of a kidnapping but if a crisis lasts for months solidarity breaks down," says Grose. "There are conpany and the victims' family, the police and other companies operating in the country will ring up to say what they think. The company is besieged and its only friend seems to be the kidnappers."

kidnappers."

Corporate life may already appear to be surrounded by enough threats. In tha view of many of the consultants it can

only get worse.

Growing unrest in South
Africa and the increasingly violent animal rights movement
are threats many companies
are starting to take very
seriously. The recent spate of product tamperings has coincided with a move to tougher EEC rules on product liability.
"Company reputations are bard-won through many years of careful policy-making and heavy investment in communications." cations programmes," says Regester. "The mismanage-ment of a crisis can destroy that reputation in a matter of

days, even hours."
\* Included in "Crisis Monage. ment, Planning for the Inevi-table" by Sleven Fink, pub-lished by the American Monagement Association, New York, \$17.95. Motivation

# Challenges for older managers

Laurie Ludwick explains thy a career plateau need not be the ent of the line

TOO OFTEN, an older manager with a wealth of knowledge and expertise spends his last 15 years with a company feeling uncommitted, frustrated, and possibly bitter. The problem is not an uncommon one. With the doors to advancement closed in front of him, the translation of the company—

is not an uncommon one. With the doors to advancement is to has them serve as tachers all coaches of their translation. the doors to advancement closed in front of him, the turned-off company-man be-comes a wasted resource, just going through the motions.

But instead of regarding the plateauned manager as a pariah to eliminate, top executives can

to eliminate, for executives can use the older employee in a constructive way, by encouraging his or her participation in the training and coaching of younger professionals. The experienced executive will benefit from a renewed sense of the properties of the properties of the properties of the properties are the properties. importance, the younger genera-tion from his or her wisdom

and advice.
The challenge is the crucial The challenge is the crucial factor, according to Harvard academics Jay W. Lorsch and Haruo Takagi, who argue that reaching a plateau does not have to mean retiring on the job. Indeed, by searching for the contraction was to enable ex-

Most plateaned managers are long-term employees who will occupy the same position for the last 10 to 20 years of their careers. These long-service managers may form those cores of organisations that produce the day-to-day results. There-fore, keeping them motivated and challenged will not only im-prove their own production, but will inspire others around them. According to the Harvard academics, by the time a manager reaches his forties or fifties, he will have accepted the Idea that further advancement in the company is unlikely. Tha challenge in their career will become their current work, and the most satisfying work will

the taachers all coaches of their juniors.

just The Harird academics ideotify two pes of plateaued manager. he committed, enthusiastic anager who, from the very exiest stages of his career, has id challenging joh assignments. They have been satisfying bol in terms of their work and thir relationships, because they are at the heart of the organizion.

### Enthusastic

The passive tanager, on the other band, is minterested in his job, althorh not necessarily dissatisfil. From the beginning of is career, he worked on the saller projects, and developed slings of envy and self-confiders. While the passive manager may not he any less compent than his have to mean remarking for job. Indeed, by searching for innovative ways to enable experianced managers to make a real contribution to the organisation, senior management lack of motivational interest will help them satisfy important psychological needs.

The both the issive and the contribution of those around him.

For both the issive and committed managei say the Harvard academics, a involvement in the decisn-making process is important a making thair work more cillenging. This can work in to ways, First, by giving them much antonomy as possible arraying out their responbilities, the senior employees all feel their accumulated exprience put to use. Second, exentives should look for ways ) use managers' skills ontside otheir own sphere of responsility in a task force or committee, for example. Their expense and wisdom may be usefuland the new position will hild their feeling of commitment to

the most satisfying work will focus on the skills and expertise thay have developed throughout their careers.

In addition, Tagakl and Lorsch assert, after a plateaued manager has spent 15 challenging "mainstream" years in an organisation, he will identify the new position will uild their feeling of commitmet to the company.

Keeping Managers of the Shelf, HBR, July-August 1866.

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Luxembourg, July 23, 1986

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Notice is hereby given that the rate of interest for the period 30th july 1986 to 30th january 1987 has been fixed et 6.75 per cent per annum. On 30th january 1987 Interest of US\$172.50 per U\$\$5,000 nominal amount of the Notes and interest of U\$11725.00 per \$50,000 nominal amount of the Notes will be due against interest Coupon No 10.

Swiss Bank Corporation International Limited Reference Agent

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from 21,640,000 to 21,556,000 and the
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with respect to the capital of the
Company as stared the several particulars required by the obove-mentioned
Act wors registered by The Registrar
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Oeted this 30th day of July 1988.

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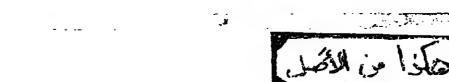
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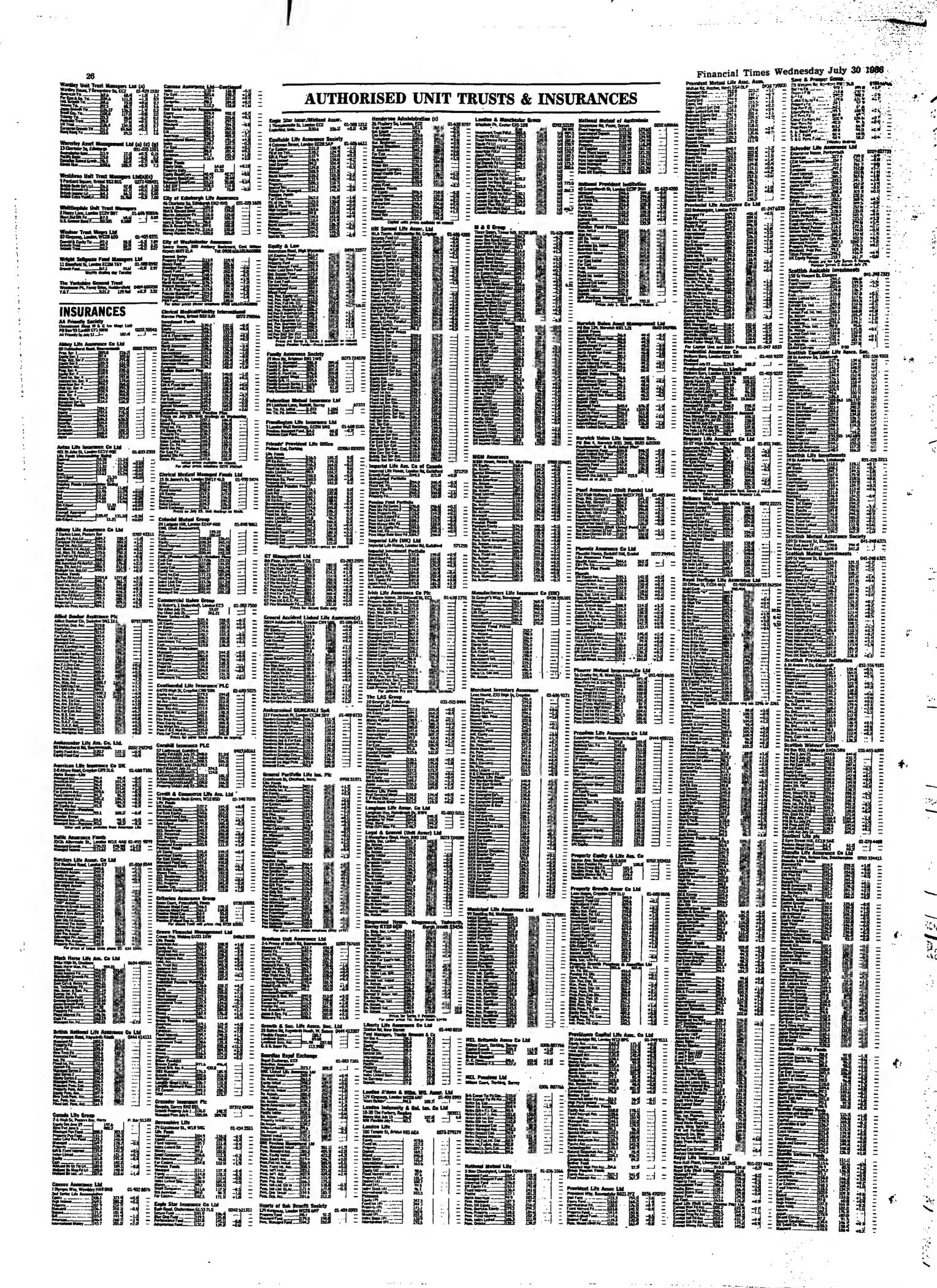
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### **EEC** keeps close watch on US sales policy

THE EEC is watching US policy on farm export subsidisation very closely and officials say it would match any extension of the export enhancement programme (EEP) to the Soviet Union with bigher subsidies on its own exports, reports Renter

One official said yesterday that the community had so far matched the US step for step in matched the US step for step in the battle for export outles. "If they went ahead (with subsidised grain sales to the Soviet Union) was would feel justified in following them es we have done elsewhere, such as North Africa and Egypt."

EEC Commission beve estimated that the EEP has depressed grain prices in non-EEC Mediterransen countries by about \$20 e tonne. "The US has been paying a commercially unwise and unnecessary bonus which has depressed prices even further." said one.

The officials admitted, however, that speculation about the EEP extension bad firmed US grain markets and created e spill-over impact on world market prices.

### WEEKLY METALS

All prirea as supplied by Metal Bulletin;

ANTIMONY: European free market, 99.6 per cent, \$ per tonne, in warehouse, 2,300-2,400.
BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2,25-2,50.

2.25-2.50.
CADMIUM: European free market, min. 99.95 per cent, \$ per lb, in warehouse, ingots, 0.90-0.95, aticks, 0.91-0.96.
COBALT: European free market, 99.5 per cent, \$ per lb,

market, 99.5 per cent, \$ per lb, in werehouse, 3.804.20.

MERCURY; European free market, min. 99.99 per cent, \$ per flask, in werehouse, 170-190.

MOLYBDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in warehouse, 3.00-3.05.

SELENIUM: European free market, min. 99.5 per cent, \$ per lb, in warebouse, 4.604.80.

TUNGSTEN ORE: European free market, standard min. 65

free market, standard min. 65 per cent, \$ per tonne unit WO,

VANADIUM: European free market, min. 98 per cent V.O.,

# Deadlock over tropical timber accord broken

BY WILLIAM DULLFORCE IN GENEVA

THE INTERNATIONAL Tropical Timber Agreement, the timber latest UN-sponsored commodity accord, is to become operational at last. After a wrangle lasting more than a year its council yesterdey settled on Yokohoma, Japan, to bouse the beadquartera of its nrganisation and elected Mr Freezailah bin Che Yeom of Malaysia as its executive director.

Japan, which accounts for around 45 per cent of the \$60n world trade in tropical timber, is by far the biggest consumer while Malaysia is currently the biggest exporter.

The ITTA is o new-style commodity agreement with no price-stabilising function, buffer stock or export quotas. Its primary aim is to preserve the world's tropical forests and to improve their utilisation as a valuable resource for develop-ing countries. Its 41 member states cover more than 95 per cessing, so that they can get forests.

cent of world trade in tropical more added value from their

Finance for the ITTA pro-gramme is still an open ques-The agreement took eight years to oegotiste and bas been tion. The consuming countries have previously rejected the delayed another year by the inability of its members to ldea of a levy on exports but this was one of four suggestions put forward yesterday by the World Wildlife Fund, which takes o sperial interest in con-serving forests. agree on a headquarters and an executive director. The choice of a location was eased on Monday when the European Community withdrew the candidecy of Amsterdam,

The levy would establish a "real" price for tropical timber covering the costs of reafforestation, conservation and vital research as wall as leoving Jakarta as the only Mr Freezailah, 46, the deputy director-general of forestry for Malaysia, won election against Mr André Anguilé of Gaboo and Mr Jean Clement of France.

The International Tropical Timber Organisation will concentrate on extablishing forests. cutting and transport, the WWF said. It estimates that 11m hectares of tropical forests ere being lost each year.

Timber Organisatinn will concentrate on establishing forest management programmes, promoting research and development, collecting market in was needed to reverse the content of the conte formation and eocouraging pro-ducers to improve timber pro-stabilise the world'e tropical

### South American sales boost forecast

contender to Ynkohoma.

BY NANCY DUNNE IN WASHINGTON

volume terms, but the drop will be followed by an expansion of 4.8 per cent in 1987 and price recovery for many commodities, according to a new study re-leased by the Inter-American Development Bank (IDB).

After years of depressed prices, production and consumption of many of the region's commodities heve edjusted to

NON-FUEL commodity exports from Latin America will fall by about 4 per cent thie year in solume terms but the drop will to over seveo ceots a pound this year and to nearly 15 cents of the decade the world sugar price could hit 20 a pound, according to the IDB's optimis-

Its forecast for cotton is eimilarly bright. Oversupply prices, production and consumption of many of the region's commodities heve edjusted to fundamental market changes causing prices to rise, the report says. Sugar stocks, for

sponse to last year's 26 per cent prire drop. Cotton consumption is ex-pected to grow by an ocreage of 1.6 per cent o year and prices are forecast to rise on average COPPER of cearly 8 per cect during the remainder of the decade. In the 1990's the forecast for price movements averages over 5 per cent with a cyclical peak occur-ring in 1993-94.

Much of the Bank's optimism based on the fall in the cost of oil, which, it believes will boost world growth. Supply

### RTZ to close Spanish copper mines

BY KENNETH MARSTON, MINING EDITOR

three small Spanish copper mines are to be closed down by Rio Tinto Minera, the company in which London's Rio Tinto-Zinc and Union Explosivos Rio Tinto of Spain each have 8 bolding of 49 per cent. Their losses ing of 49 per cent. Their losses have been worsened by the strength of the peseta in conjunction with the continued weakness of the US dollar-based.

tinto area of southern Spain. They include both open-pit and underground workings. Com-bined production of copper con-centrates (containing about 70 per cent copper) amounted to 233,000 tonnes in 1984.

Rio Tinto Minera'o nearby

BECAUSE OF substantial losses. Colorado, Alfredo and Santiago a gold and silver operation and three small Spanish copper operations in the Minas de Rio a £25m expansion programme mines are to be closed down by tinto area of southern Spain. has been in progress to dooble the ore treatment rate to 5m tonnes a year,

This will combat the effects of falling ore grades to give the operation annual output rates of 4,000 kg gold and over 120,000 kg silver by 1987. Also unaffected are RTZo high grade wakness of the US dollar-based operations and smelting activicopper mining operations at the continued gossan and pyrites mining unaffected are RTZ's high grade weakness of the US dollar-based operations and smelting activicopper mining operations at the continue to be profitable. Neves Corvo, across the border alue, \$ per 1b U<sub>2</sub>O<sub>8</sub>, 17.00.

The mines are the Cerro The gossan mining is primarily in Portugal.

# Modest hopes for Angolan coffee

BY TONY HODGES, RECENTLY IN LUANDA

coffee," President José Eduardo

Angole was once a major highlands.

Ever since, there has been an duce. Until its troubled accessories shortage of manpower, as exporter of agricultaral produce. Until its troubled accession to independence in 1975. It was the fourth largest coffee producer in the world, with output well over 3m bags (180,000 tonnes) a year.

Since there since, there has been an ocute shortage of manpower, as well as a dearth of managerial and technical skills.

The coffee farms abandoned by the Portuguese, which covered over 300,000 hectares, and the control of the coffee farms abandoned by the portuguese, which covered over 300,000 hectares, and the coffee farms abandoned by the portuguese of manpower, as well as a dearth of managerial and technical skills. tonnes) a year. Since independence, bowever,

there has been a disastrous decline. In 1984 marketed pro-duction sank to a pitiful 10,589 tonnes, about 5 per cent of average pre-independence output. Last year the decline seemed to beve been arrested and there was a modest "recovery" to 13,686 tonnes. By drawing on stock Angels

By drawing on stocks, Angola bas been able for some time to cushion the fall in exports—last year it exported 18,660 tonnes. And e political premium paid And e political premium paid for Angola's coffee by East Germany, which last year bought almost half these shipments, enabled Angola to remoin third in the world coffee price league — even though its coffee is the lower grade robusta type and quality has been deteriorating.

However, the commodity that was once Angole's top export (it wes overtaken by oli in 1973) last year earned only \$55m, a mere 2.7 per cent of total exports.

of a million peasant also grew coffee. But the collapse of the Coffee. But the collapse of the Coffee. But the collapse of the Portuguese-run marketing system after independence prompted most peasant coffee growers to revert to eubsistence faromers to revert to eubsistence for revert to eubsistence faromers to make the manufacture faromers.

total exports.

national conference on agrarian development last month in Luanda.

The collapse in the price of oil, which now secounts for searnings, has encouraged the country's leadera to recall that Angole was once a major

were nationalised after indepen-dence, but the area under state control has been reduced in recent years in view of the Government's limited manaagricultural companies are cul-tivating coffee on 68,000 ha. With the state sector producing only 8,890 tonnes last year, all the companies have chronic

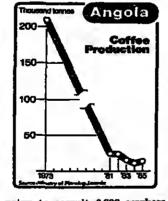
raditionally, about a quarter of a million peasants also grew coffee. But the collapse of the Portuguese-run marketing system after independence prompted most peasant coffee growers to revert to eubsistence farming. Last year less than 4,800 tonnes was marketed from the private sector.

With stocks now virtually tonnes before the end of the exhausted this year's astional decade.

One constraint is that many

"IN ORDER to improve the balance of payments position, priority must be given to the production and marketing of the most important was the succumbed to the undergrowth to the most important was the succumbed to the undergrowth. To tackle the problem, the and disease.

There is still an acute labour shortage. Last year the state coffee plantacions bad about 29,800 workers, only 54 per cent of their labour requirement. A year ago the Instituto Nacional do Café (Inca) leunched a cam-



paign to recruit 6,000 workers in the Ovimbunda provinces of Huambo and Benguela. By Huambo and Benguela. By transporting entire families, Inca hoped to settle them permanently on the coffee plantations. But the resettlement programme had to be abandoned. "They were on malnourished before they left that some of the children were dying in transit," an aid worker claimed. The productivity of the state farms has been further undermined by extremely high rates
of labour absenteeism (45 per
cent for the men and 75 per
cent for the women eccording
to remain an elusive dream. to government officials, a consequence of the virtual worth-editor at the lessness of wages paid in Intelligence Unit.

trops to survive.
To tackle the problem, the
UN's World Food Programme
is spending \$14.25m on a food-

for-work project. About 10,000 workers in 14 state coffee comworkers in 14 state coffee companies are receiving 40 per cent of their wages in food.

Meanwhile, like most of rural Angola, the coffee regions are living in the shadow of Umita'o bush war. Gnerrilla attacks have inflicted \$4.3m worth of damage on the coffee industry, according to government

according to governmen figures.
With few trucks still in working order, and military convoys obligatory but irregular in most

obligatory but irregular in most coffee growing areas, coffee marketing has become a planner's nightmare.

Government officials recognise, however, that policy reforms could belp boost coffee production and marketing, in spite of the way. These have been discounted the way. the war. There have been dis-incentives to coffee cultivation— notably an ertificial exchange rate, which devalues the coffee growers' real proceeds about 30-fold, and the shortages of son-sumer goods to exchange with

peasant producers.

The Government is committed in principle to devaluation of the kwanza, and a regional import-export Uigemex, has been set up in the province of Uige to trade "incentive goods" for office. Another reform on the drawing board is a scheme to allow export industries like the coffee sector to retain a proportion of their foreign exchange earnings.

appear better suited to modern life styles.

# Soft drinks push coffee out of top spot in US

THE AVERAGE American's consumption of coffee has nearly halved from the peak level reached in the early 1960s, occording to a report published by the International Coffee Organisation. And, adding insult to injury, coffee has for the first time lost pride of place as America's favourite beverage

America's favourite beverage to soft drinks.

Preliminary figures for this year show that consumption is down to only 1.74 cups per person per day from 3.12 cups in 1962, 2.57 cups in 1970 and 2.02 cups in 1980.

Paget and ground coffee Roast and ground coffee and instant have shared more-

or-less equally in the 44.3 per cent overall decline since 1962. Decaffeinted coffee has shown a 310 per cent increase

to 0.41 cups per person per day, but even that figure has talled off from its 1984 peak of 0.44 cups.
The age group break down

of the figures makes even more alarming reading for more alarming reading for the coffee trade as it shows that the over-50s are now by far the heaviest coffee drinkers in the US. The 50-59 group tops the league with 2.77 cups per day, followed by the 60- to 69-year-elds with 2.7 cups.

followed by the 60- to 69-yearelds with 2.7 cups.

The 30- to 39-year-elds, who
were the biggest coffee
drinkers in 1962 at 4.56 cups
a day, are now lagging behind
at 2.11 cups, and the coffee
drinking habit seems to be in
full retreat assent the full retreat among the

The 25 to 29-year-olds are

now consuming 1.32 cups a day each, down from 3.83 cups in 1962, while the 15 to 19 group is down to a more 6.16

The 1CO points out, how-ever, that the data was col-lected at a time when coffee prices were rising sharply, which may have depressed consumption temporarily. Nevertheless the Organisa-

tion is clearly concerned about the steep fall in consumption, particularly among the young. During the 1985-86 coffee marketing season the ICO promotion fund co-operated with the US National Coffee Association to test a generic advertising campaign aimed at making coffee appeal mere to young people and

Coffee's ficrcest competition clearly comes from soft drinks. Since 1962 the propertion of Americans drinking coffee has fallen by 22.6 per cent to 52.1 per cent while the figure for soft drinks has risen by 25.8 per cent to 58.4 per cent. At the same time ten has made modest progress, from 24.7 per cent to 38.9 per cent and juices have gone up from 41.4 per cent to 45.3 per cent. But milk has slipped back 5.3 per cent to 48.3 per cent. United States of America Coffee Drinking Study: Winter 1988, International Coffee Organisation, 22
Berners Street, London
WIP 4DD.

LONDON MARKETS

STERLING'S strength against the dollar, coupled with stoploss seiling in New Yerk, pushed London Metal Exchange copper prices sharply lower yesterday. The Grade A cash price ended the day £13.25 down at £384.75 a tonne. Other LME markets were also wesker, notably were also weaker, notably aluminium, down £10 at zinc, down £8 at £538 a tonne.
Sterling's rally was again the
main infinence. Coffee values
continued easier in quiet
trading with the September
futures position closing 20other £11 lower at £1 222 54.

other £11 lower at £1,882.50 a tenne, following Monday's £16 fall. But the cocoa market remained quite firm with the September position registering its fourth successive rise with a £12 advance to £1,459,50 a tonne. Earlier in the day September cocoa had the day September cocoa had reached a 4-month high of £1,470 6 tonne. Dealers said improved sentiment following the successful recegotiation of the International Cocoa Agreement was still a factor

### in the market. LME prices supplied by Amalgamated Metal Trading. ALUMINIUM

,	Unoificial close (p. m £ per	1.3 -	High I low
Cash Smonth s	758-0 768-8.5	-10 -9.e	764.5 775/767
/761 S-21-	three me	with a 77	4.4.5 (772- Final Kerb 950 tonnos.

COFFE	n		
Grade A	Unofficia	+er	High/low
Cash 3 months	884.1-5 904-4.5	-13.95 -12.6	891.L/885.5 01 <u>8.5</u> ;902
(896-7): thm	a months	612-3	(915.5-6):
Standard Cash 4 months	858-60 878-82	-a.o -10	e66-864
	Grade A  Cash 8 menths  Official ct (888-7); thn aettlemen; 8: 903-4.  Standard	Cash 84.5 904.5 904.5 906.21 closing (sn (886-7); three months sertlemen; 892 (897).	Grade A Unoffic" + er  Cash 84.5-5   15.55   S04.4-5   -12.55   Official closing (sm): Cash (896-7); three months 612-3   settlemen; 892 (897). Final 1903-4.

Official closing (am): Cash 863.5 (868-5.5); three menths 886-7 (868-90); artisment 884 (866.5). US Producer prices 52.50-67 cants per pound. Total turnover: 27,850 Jonnes.

2		Unofficia Lose(p. pe		High/los
5	Cash 3 months	556-7 251-1.5	-2 5,2€	267/255
8	(252-2.5); setitemen	t 255.5 3-3.5, Tur	(252.5). nover: 14	esh 255-5. t (258-8.5) Final Ker 575 tonnes ound.

### NICKEL

Unofficial + er close(p.m.) — £ per tonne	High/law	Prices de below the positive Drazel But	direction mhom L
	2617/2450 2706/2665	impact en contract a down on t	the terr
ficial closing (em): Ca 0-5); three menths 2700-5 emen) 267 (2665). Fi e: 2678-80. Tumover: 1,5	(Z700-5):	COFFEE	Yeston

TIN
KUALA LUMPUR TIN MARKET: Clese 14.19 (14.14) ringgit per kg. Up 0.05 ringgit per kg.
ZINC

INC			
igh rade	Unofficial close(p.m.) £ per to	+ er	N

grade	£ per tonne	Nigh/ lov
Cash 3 months	557.5-8,5  6,0 634.35-4,8  8,38	541 540/6 <b>5</b> 4
(545-6); sh settlemen] 534-6. Tu	closing (em): Cas res meeths 539-40 541 (548). Final Ki mover: 5,400 ren stam: 41,50-44.75	(541-1.5): orb Cisser nes. U6

Gold fell \$1 to \$3824-3825 on the London buillion market yesterday. It spends at \$3844-3656, and toported a peak of \$3844-3656, The metal was fixed at \$383.30 in the morning and \$361.25 in the atternoon, falling to a low of \$351-3514.

GOLD BULLION (fine pur	ice) July 26
Close \$352 4-3524 Opening \$56412-356 M'n'g fix \$553,30	(£2365,-2374 (£2364,-2384) (\$38,041)
Aft'n'n fix \$351.85	(888,9883)
GOLD AND PLATIN	UM COINS
Krg'r'nd. \$369-554	(22824-8374
4 Krug 3164-165	(£1231 <sub>2</sub> -1244) (£854-64)
1/16 Krug. \$3812-3012 Mapielos #6614-36614	(£264-261 <sub>2</sub> ) (£243-846)
Angel \$361-354	(£2481g-2441g)
1/10 Angel \$3612-3912 New Sov., \$85-87	(£341g-251g) (£57-581g)
Old Sov \$8819-90	(£50ig-50ig)

### SILVER

Silver was fixed 1.7p an conce lawer for apot delivery on the London builten merhat yesterdey, at 339.25p.
US cant equivalents of the fising levels were: spot 501.30c, down 0.30c; three-month 508.60c, dewn 0.55c; and 12-menth 512.95c, down 0.55c; and 12-menth 3139-331p (503-605c) and closed at 339-331p (503-603c). \* Tony Hodges is Africa litor at the Economist

SILVER per troy oz	Buillon Fixing Price	+ 01	LM.E. p.m. Unoffic's	- + er	
months. months. months	358.25 o 345.16 p 354.30 p 370,55 p	-1.70 -1.86 -2.05 -2.25	353.50 341,25p	-5,5 -8,8 -	
LME-Turnover: 30 (7) lets of 10,000					

Three-month high 342, low 340.5, final kerb 340-1p.

Pigmeet and beef prices closed un-changed in quiet trading conditions, reports Eastern Capital CCST. LIVE CATTLE LIVE PIGS Yiday's + or Yiday's + or close -Aug 98.30 +.30 95.30 +.30 Sept 98.50 - 104.00 +.20 Nov. 98.50 - 105.80 - 1 Jan. 90.50 - 96.50 - Feb. 100.00 - 96.50 -

Cettle selve: Nii (nii) lets of 6,000 kg.
Fig selve: Nii (nii) lets of 6,000 kg.
Fig selve: Nii (52) lots of 2,250 kg.
MEAT COMMISSION Average letsebock prices at representative markets:
OB—Cartle 95,70p per kg lw (-1.19);
GB—Sheep 155,23p per kg set dow (-12.29); GB—Pigs 75,05p per kg lw (+0.77).

### US MARKETS TRADE HOUSES were boyers

in October sugar, possibly on behalf of Cuba, reports Heinold Commodities. The Cocca futures dropped back from near four months highs selling and profit-taking. New York values moved up on continued chart strength, along with bullish sentiment provided by the Cocoa pact and dryness in the Ivory Coast. Prices climbed to their

20 5p 5p	indus	try tak	e-off.							
64	NEW	YOR	•							
4000	ALUMIN	ALUMINIUM 40,000 tb. cents/ib								
		Close	High	Low	Pr					
-	July	51.80	-		62.					
	August	e1.95	_	-	52					
5	Sept	52.10	52.80	52.10	E2.					
	Dec	52.55	52.55	62.60	63					
=	Jan	52.05	_	_	53. 53.					
	March	E3.00	Ξ	=	53					
'	May	53.30	_		54.					
_	July	63.66	_	_	64.					
_	Sept	以.75	_		54.					
5.50	Dec	23.25	_		54.					
õ	COCOA	10 ton	nee, \$/t	DIRPOR						
_										

Cocce Pt. Sept. \$1450.8 - 26 21280.8
Coffee Pt. Sept. \$1882.5 - 11.021770.5
Cortinn A Ind. \$52.40c - 0.2040.00c
Gas Oll Sept. 877.00 - 0.593118.78
Rubber ikiet Sugar (raw)
Wooltops 64s \$324.00c - 1.3057.50
Sapar (raw)
Wooltops 64s \$324.00c - 1.3057.50

INDICES

REUTERS

DOW JONES

METALS

July 15-1019 18 Web ago Year ago

1457. 8 1465.d 1452.7 1681.2

(6 sea: September 18 1931 - 100)

Jones 28 25 ago ago

Spot 127.74125.85 - 115.26 Fut 110.29116.04 - 114.48

MAIN PRICE CHANGES

In tonnee unless otherwise stated.

July 29 + or Month 1986 — ago

-... \$1285/255 + 10 \$1249/28

(Baso: Occember 31 1931 = 100)

‡ Unquoted, † Par 75 lb flask, c Cents par pound, y July-Aug, a Aug, w Sept Oct. x Oct, \* Cotton Outlook,

### COCOA

Sales: 4076 (3274) lots of 10 tonnes. ICCO indicator prices (UC cents per pound). Oaily price for July 28 95.11 (94.17), five-fey overage for July 29 94.42 (94.44).

	COFFEE
•	Prices drifted around in a £20 range below the previous close with little
•	positive direction today, reports Drexel Burnhom Lembert, Inter dealer
5	business in the cosh market leiled to impact on the terminal and with " c "
5	contract similarly dull prices closed down on the day.
7	Yesterday - or Business

o - Done Oales: 2891 (210) lots of 5 tonnas. 1CO indicator prices (US cents per peund) lor July 28, Comp. delly 1978 156.24 (166.76); 15-day average 150.61 (149.35).

### SOYABEAN MEAL

A quiet assaion with prices trading around unchanged with ne particular fastures, reports Multipace.

per torme 128.5-180.0 + 1.25 127.3-127.5 - 0.85 127.3-127.5 - 0.25 129.3-180.5 - 0.15 120.5-181.5 - 0.16 120.5-129.5 - 0.16 127,5

### GRAINS

Wheat market a surpassing origin before finding or	nel co	hodge	highs
interest, while be spot position, wi luiliting ronewed closing on a sell-	th ship	per cu	overing stenis
Ing new merket Reddick.	higha.	reports	T. 0.
WWEAT	_,_	-	0 PV

Basinasa done-Wheat: Bast 102.50-2.00. Nov 105.20-4.76, Jan 108.10-7.70, Merch 110.50-0.30, May 112.30-2.75, Sales: 215 lots of 100 tonnes. Barley: Bastey: 102.80-2.50, Nov 105.30-4.95, Jan 109.00-7.75, Merch 110.10-9.90, May 111.50-1.50. Sales: 383 lots of 100 tonnes.

tonnes.

LONGON GRAINS—Wheet; US Cerk
Northem Spring No. 1, 15 per cent
Aug 36,00, 6opt 85,00, Cet 87,50 sellero,
(ranshipment Eest Coest. US Ne. 2
aloft Red Winter: Aug 50,75, Cept 82,50,
Oct 34,25 sellere. English feed, fob:
Bopt 104,00 buyer, Oct 105,50 buyer,
Cet / Dec 105,00-109,50. Jan / Merch
113,00-113,50. April/Jens 116,00-117,00
buyer/sellere. Resize: US No. 3 Yellow/
French transhipment Eest Coest: July
135,00. Barkey: English feed, fob: Aug
103,00 buyer, Sept 104,00-104,50 buyer/
sellere, Oct 107,00 buyer, Oct/Occ
109,00-109,50, Jen/Merch 113,00-113,75
buyer/sellere. Rest enguated.

HGCA—Herswith todey's lectional

buyer/cellers. Rest enquoted.

HGCA—Herswith todey's lepetional sk-lerm epot priote: Feed Barley: 2, East 97.00; S. West 93.20; W. Midlande 95.70; N. West 95.00. The UK menotary coefficient for the week beginning Mendey. August 4 (based en HGCA celculations using five days eschange retas) is expected to change to 1.145.

### RUBBER

PHYSICALS — The London merket eponed alightly stater, drifted lower throughout the day and closed steady, reports Lewis and Peet. Closing process (buyers): epot 59.50p (-1.50p); Oct 58.50p (same); Sapt 58.50 (same). The Kusis Lumpur lab price (Melaysian tents por kile): RES No. 1 218.0 (222.5) and eMR 20 191.0 (194.0); FUTURES—Index 593, Acg 598-601, Sept 590-593, Oct/Occ 582-591, Jan/March 598-593, April/June 608-613, Jety/Sept 612-516. Seles: Nil.

raily could not be sustained ofter the October position was unable to reach yesterday's high of 6.85 cents, and the market closed 22 cents lower. after running into price fix Coast. Prices climbed to their highs as speculative buying triggered buy stops at over \$2,015 per tonne basis September, but lost ground when they encountered Brazilian price fix selling. The Coffee market remained confined in its recent trading range in the absence of fresh fundamental news and subdued industry take-off.



COFFEE " C " 37,500 Ib. cents/tb COPPER 25,000 lb, cents/lb

COTTON 50,000 lb, cents/lb

Low 11.10 11.00 11.12 11.28 12.35 11.46 11.50 11.50 11.66 11.70 11.50 12.00 12.50

12.00 OOLD 100 troy or: \$/troy oz

PLATINUM 50 troy oz, \$/troy ea

SUGAR Aug ... 147.6-147.4 769.0-169.4 162.0-146.9 Feb ... 128.001 120.00 125.00-122.50 Cot ... 147.6-154.4 769.0-169.4 162.0-146.9 Feb ... 128.0-128.0 126.0 126.0

tonnes.
LONDON DAILV PRICE—Rew augst
\$154.80 (£104.00) down \$1.00 (down
£1.50) a tonne ler August-September
delivery. White augst \$197.50 (up delivery. White sugar \$197.50 (up 31.50).

Teta & Lyle delivery price for grenulated basic sugar was £206.00 (£209.00) a tonne for export.

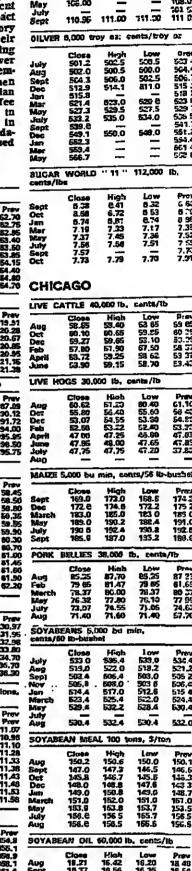
Internetional Sugar Agreement (U3 cents per pound fob end stowed Caribbean ports.) Prices for July 28: 0elly price 6.31 (5.92); 16-day everage 6.38 (5.32).

PARIS—(FFr per tonne): Oct 1329-1333. Occ 1333-1350, March 1370-1379, May 1400-1418, Aug 1435-1453, Oct 1476-1483.

FREIGHT FUTURES Close | High/Low | Prev. July Oct. Jan. April July Oct. Jan. Apr. BFI. Turnover: 68 (28).

Tankers July 1040/1120 - 1035/75
Aug. 1010/1040/1055/1010
26p. 1050/1060 1030 200/1010
Mar. 1050/1070 - 1045/1100
BTI. 1092 - 1043/e Turnover: 11 (15).

**POTATOES** Following higher Butch epening advices and wideepread talk of Rhizamania on Imports, and other crop problems, buyare wers in evidence en the opening, and Aorii Immediately found buyers ever the 200 berrier which triggered some stop loss orders. Treding during the day was looklustre,



with restricted ronge and low volume, although Iresh buying interest was seen at the close, satisfed by epeculativo long liquidation, reports Celey and Nerper.

WHEAT 5,000 by min, cents/60 lb-bushel

Prev 451.2 454.3 457.8 461.1 465.0

Firming US lutures in reagonas to news of possible output cuts by OPEC beined atrongthen 15-day 6-rant to 16 cents in Aso and in Sept. Nymes WTI opened 3 cents so but traded sherply higher at 50 cents up by 1.30 gm EDT.

In the petrolesm products market naphthe and cas oil were suist and stable. There was internal UK demend for gesolinc. Heavy fuel was quiet, reports Petroleum Argus London.

CRUDE OIL FUTURES—Sten) Bend Index. S e berral. (Cless. change. business does): 9.36, -0.11. 9.35.

CRUDE OIL-FOR (\$ per barrel)-August Brent Blend...... W.T.I. (1pm est)..... Forcados (Nigeria) Urata (olf NWE) Premium 62soline... 124-150 | 90-92 | Heavy fuol oil ....... 45-45 | Naphtha 85-88 |

Petroleum Argus estimates GAS OIL FUTURES

US 8 Turnover: 2,524 (1,872) lots of 100

### CURRENCIES, MONEY and CAPITAL MARKETS

a Bundesbank board member, said there was no reason to cut West German interest rates. As

west German interest rates. As expected the West German trade surplus widened in June to DM 9.9bn, from DM 8.1bo io May, although the current account surplus narrowed to DM 4.2bn from a revised DM 5.9bn. The Bundes-back did not interest when the

OTHER CURRENCIES

CERT DEPOSIT

STERLING INDEX

..... 72.2

72.0

72.1

72.0

72.0

9.00 am ..... 72.1 10.00 ant ..... 72.1

11.00 am

3.00 pm

EMS EUROPEAN CURRENCY UNIT RATES

### FOREIGN EXCHANGES

# Dollar slides but pound better

The dollar weakened in late European trading Earlier in the day the US currency had been July 39 Latest 1 Pr July 29 | Latest | Prev. close supported by short covering after Monday's sharp fall, shead Spot | 51,4930-1,646-81,5805-1,4916 1 month | 0,40-0,31 pm 0,40-0,66 pm 3 months| 1,21-1,15 pm 1,23-1,21 pm 18 months| 4,43-4,53 pm 4,45-4,40 pm arter Monday's sharp fall, ahead of further testimony before a US Congressional committee by Mr Paul Volcker, chairman of the Federal Reserve Board. He re-peated his call for faster growth among other industrialised nations, and said the US trade balance is the key to future balance is the key to future balance is the key to future economic growth.

Mr Volcker said nothing to reverse the bearist sentiment surrounding the dollar, as attention turned towards today's publication of the June US trade figures. These are expected to record a deficit little different from the May figure of \$14.21hm, and to compare very unfavourably with the announcement yesterday of a June West Gorman trade surplus of DM 9.9bn (\$4.7bo).

The dollar fell to DM 2.110 from DM 2.1135, the lowest level since April 2 1981, and to SFr 1.6900 from SFr 1.7000, the weakest since October 24 1990, but eased only slightly to Y155.70 from Y155.75, and improved to FFr 6.84 from FFr 6.8375. On Bank of England figures the dollar's index fell to 112.2 from 112.7 the lowest since May 12. Sterling recovered some of the ground lost on Monday, as North Sea oil showed a slightly firmer

eot	trend in quiet trading and mir
ten-	ters from Opec continued th
ub-	meeting, aimed at cutting p
ade	duction quotas, in Geneva. N
to	vousness about the UK politi
ent	situation also sopeared to ea
bn.	as the pound rose 70 points
)127-	\$1.4880-1.4890, and advanced
res-	DM 5.1425 from DM 3.13: to F
0212	10.19 from FFr 10.13; and
9bn	Y231.75 from Y230.75, while e
	ing to SFr 2.5150 from SFr 2.51
110	D-MARK - Trading ran
vel	against the dollar in 1986
to	2.4710 to 2.1110. June avers
the	2.3320. Exchange rate ind
980,	127.6 against 132.9 six mont
5.70	ago.
to	The D-Mark remained firm, b
On	treding was quiet in Frankfu
the	sheed of Mr Volcker's resum
om	testimony before the US Co
12	gress. Only the possibility t
	Federal Reserve Board chairm
nge	would say something to arre
ها	the dollar's decline appeared
age	prevent a further sharp app
06e	ciation by the D-Mark. Sentime
dth	surrounding the dollar remain
	bearish after Mr Claus Koehl
_	

rade (\$4.7bo Tho Tho Irom D ince SFr 1.6 Weakes but eas rom Y FFr 6.5 Bank 10 llar'0 112.7, 1 982. STEL 125555 1.5089. 0 72.1 4.2 six	dollar fell to dellar fell fenchange rafrom 71.7, et menths ag	DM 9.9b  DM 2.111  to DM 2.111  to DM 2.111  to lowest lave  81, and to  fr 1.7000, th  ober 24 1986  tily to ¥155.7  improved to  figures th  to 1122 fron  since May 1  ading rang  in 1986 in  June averag  ate index ros  ompared with  o.	n 10.19 from n Y231.75 fro ing to SFr: 0 D-MARK to against th 10.24710 to 12.2320. Fi 12.3320. Fi 12.3	on Y2: 2.5150;	10.13; an about 13; an about 13; an about 14; and 15;	d to e eas- 	The yen gaine the dollar in To currency closing pared with Y15. The decline of tinued a trend shut attempts t unit below the of Y155 met witing of the curr ment by Mr Ma Tokyo, that "M ever-growing J before Congress thin " contribut, weakness of Baldri-ga force trade definit widen to over from an estin \$60bo in 1936.	kyo, witi, at Y15: 7.20 on the do the line of line	h the U 5.70 cm Monda Mo
luly 29	Day's spread	Close	Ope month	"	Three	% p.a.	Jaly 29	Bank of England	Morgan
JS .	1.4790-1.4930	1.4890-1.4890	0.40-0.37c pm	3.10	1.25-1,20 pm	3.29		Index	Chango
anode inthind.	2.0555-2.0695	2.0545-2.0655	0.20-0.11c pm		0.56-0.40 pm		U.S. dollar	18.1 112.2	+3.2
lelginm	8.53-3.55 <sup>1</sup> , 64.71-65.33	3.53 <sup>1</sup> 2-3.54 <sup>1</sup> 2 64.86-64.85	1½-1c pm 15-11c pm		4-3% pm 46-37 pm	4.38 2.53	Canadian dollar		-12.7
onmark			1% pm-%ore dis		44-31 pm	1.33	Austrian schilling		+1.6
roland	1.0665-1.0625	1.0685-1.0595	par-0.10p dis		0.10-0.30dia		Belgian franc		1.0
V. Ger.	3.1374-3.1574	3.134-3.15%	1-1-pf pm		4%-4 pm	5.25	Oanish Kroner	86.8 137.0	-0.0 +18.0
ortugal	210.47-222.23	220.60-222.20	70-170c dis		195-460 dis	····0.83	Swise franc		+22.5
pain	201.77-202.55	202.25-202.56	30-70c dis		115-166 dis	2.67	Guilder	101.6	+10.9
taly	21494-21644	2157-2158	1-5live dis		6-10 dis	1.48	French franc		-13.1
iance iance	11.051-11.101 <sub>2</sub> 10.13-10.213	11.07%-11.08% 10.17%-10.18%	37-44-ora dis		124-14 dis	-4.83	Lire	41.0	-16.6
weden	10.40%-70.44%		24-14e pm		6%-6% dia	2.63	Yen	217.5	+01.2
nosn	2304-2324	2314-2324	¹gom-hore dis 1¹¹v pm		1½-½ pan 3½-2½ pan	0.26	Morgen Guaranty	-	: avera
ustria	22,07-22,29	22.25-22.29	84-74pro pno		261-231 om	4.48	1980-1982=190. Ba		
wiz.	2.51-2.53	2.51-2.52	To-Jac Den		37-3 pm	4.97	(base average 197)		min die
Sie	-month forwor	d dollar 2,36-2	Pranes. Pinencia 1,81¢ pm. 12-mo NARD AGA	onth 4.4	0-4.25c pm.	ıR	CURRENC	Y RA	
									Europe

July 29	Day's spread	Close	One month	% g.a.	Three months	P.4
UK†	1.4790-1.4930	1.4880-1.4890	0.40-0.37c pm	3.70	1.25-1.20 pm	_
ireland†	1.3960-1.4070	1.4040-1.4050	0.60-0.30c pm	3.86	1,75-1.25c pm	4.2
Cenada	1.3857-1.3893	1.3870-1.3880	0.24-0.27c dis	-2.20	0.83-0.88dm -	-2.4
Nethind.	2.3760-2.4000	2.3780-2.2790	0.19-0.17c pm	0.90	0.86-0.80p m	1.0
Bolglum	43.55-43.90	43.55-43.65	2-3c dis			-0.7
0 enmark	7.94-7.99%	1.94-1.94	1.40-2.00ore dis	-2.58	3.65-4.26de -	1.3
W. Ger.	2.1050-2.1260	2.1105-2.1115	0.33-0.30pf pm	1.79	1.05-1.00 pm	1.9
Portuge	147-1484	148-1484	90-150c dia			9.2
Spain	135.55-136.40	135.70-135.80	90-70c dis	-6.73	190-220 Rs -	-6.0
Italy	1448-1459	14484-14494	5-61-like dis			-4.B
Norway	7.44-7.47	7.44-7.44	4.70-5.00ore dis			-5.4
France	8.821-6.88	0.834-6.844	0.40-0.50c dis			-0.7
Sweden	6.974-7.024	7.00-7.00-	1.60-1,80ore dis			-3.0
Japan	165.45-166.35	155.66-165.75	0.26-0.2Ty pm		0.73-0.68 pm	1.8
Austria	14.83-14.95	14.851-14.86	21-13-gro pm		6-3 pm	1,2
Switz.	1,6990-1.7060	1,6895-1,6905	0.23-0.18c pm		0,75-0,65 pm	1.6
	unte opply to	the US dotte	US currency. For and out to the france. Financia	ward Indivi	gremlums and	

EXCHANGE CROSS RATES										
July 29	£	8	DM	YEN	F Fr.	S Fr.	HFI.	Lira	D S	B Fr.
£ 8	0.672	1.489	8,143 8,111	831,B 155.7		0,515 1,690		6188. 1450,		
DM YEN	Q,318 4,310	0.474 0.485		73.15 1000.	3.839 43.93		2.786 10.28		0.557 8,910	
F Fr. O Fr.	0.983	1,468 0.596		297.7 88.16		2.471 1.	3,477 1,400			03.76 05.81
H FI. Lira	0.282					0,710 1,166		609.0 1000,	0,583 <b>0,957</b>	
_							-			

C 0 0.484 0.761 1.528 118.8 4.030 1.918 1.714 1045. 1. 51.34 B Fr. 1.541 8.294 4.848 507.1 15.69 0.875 0.450 5324 0.182 100 Yon per 1,000; French Fr 10; Lira per 1,000; Belg Fr per 100. **EURO-CURRENCY INTEREST RATES** 

doly 26	Short torm	7 Days notice	Month	Three Months	Six Months	Year
Storiing	03: 10	934-10	911-10	9H-10	9 t-10-t-	9/3-10/1
U.S. Oollar	63: 67:	67-613-	012-53e	61-55e	61g-65g	556-654
Can Dollar	64: 87:	8-63-	85e-87s	61-5	9-914	9-614
O Gelider	04: 62:	034-516	573-514	61-5	05g-61g	04-612
Sw. Frang	1-4:	104-10	414-47s	61-5	45g-45g	454-478
Deutschmrk	664	454-0	45g-434	45-41s	45g-45g	4/4-4/8
Fr. Frang	74: 13:	74-156	714-73e	46-41k	7-t-7-t-	1-14-7-7-1
Italian Urg	104: 114	1056-1146	115s-115e	11-116	115g-11-4	11/8-12
B.Fr.(Fin)	079-710	71s-14s	71g-72g	1/2-7/6	714-112	714-718
B.Fr.(Con)	679-710	634-114	11g-72g	718-144	714-134	714-734
Yon	416-415	41g-0	41g-47g	4/3-478	414-413	418-434
O. Krona	670-940	81s-64s	01g-01g	014-94	050-1014	934-1034
Asian 8 (Sng)	676-675	61s-64s	61g-65g	018-646	612-568	668-634

### FINANCIAL FUTURES

### **US** bonds weak

US Treasury bond futures an important chart support polywere weak on the Loodoo Inter- of 93-30, and trading remain national Financial Futures Exnational Financial Futures Ex-chango yesterday, reacting to the sbarp overnight decline in Chicago, where September bonds bonds finished limit down, after losing two points to 95.00. Heavy selling bad developed in Chicago after the contract broke through today's announcement of the U
Treasury's quarterly refuedin
package. The price weakened o
fears that yields would not b
high erough to attract stron
interest from Japanese lovestor

	on Liffe, and touched a low of 95-03, before closing at 95-15, compared with 96-07 on Mooday.
nt ed of JS on be	Long-term gilt futures were firmer, encouraged by a steadier performance by sterling and rumours of switching into gilts from US bonds and Australian bonds by Japaneso sources. Gains of about 1 point in long-dated stecks on the cash market added sopport. The September contract opened at 119-29, and after touching 119-27 rose to 2
og rs. 11	peak of 120-17. It closed at 120-11, compared with 119-27 previously.

bank did not intervene when the	after the contract broke through Septomber bonds	opened at 95-11 previously.
dollar was fixed at DM 2.1173 in Frankfurt the lowest level sloce		LIFFE US TREASURY SOND FUTURES OPTIONS
April 2 1981. Moodsy's fixing		
level was DM 2.1379. The dollar	Strike Calls—Last Puts—Last price Sept Dec Mar June Sept Dec Mar June	Strike Calle Last Puts Last prion Sept Dec Mar June Sagt Dec Mer June
closed in Frankfurt at DM 2.1215	price Sept Dec Mar June Sept Dec Mar June	88 7.34 7.57 0.04 1.11
compared with DM 2.1270.	118 2.48 6.17 — — 0.27 2.05 — —	90 5.42 0.29 9.12 1.47
Company with the comments	120 1.29 3.11 1.07 2.63	92 3.62 5.11 0.32 2.29 94 2.35 4.04 1.06 3.22
JAPANESE YEN - Trading	122 0.40 2.16 — — 2.10 4.00 — — 124 0.14 1.37 — — 3.90 0.25 — —	96 131 3.08 2.01 4.28
range against the dollar in 1986	120 0.04 1.04 0.46 0.56	98 0.49 2.22 — — 3.19 5.40 — —
is 202.76 to 155.00. June average	128 9.01 0.44 7.43 6.32	100 0.23 1.47 — — 4.57 7.01 — —
167.50. Exchange rate index	130 0.00 0.27 — 9.42 10.10 — — Estimated volume total, Calls 456 Puts 295	102 0.09 1.16 — — 0.43 0.34 — — Estimated volume total, Calls 64 Puts 101
217.5 against 182.0 six months	Previous day's open int, Calls 11,869 Puts 4,403	Provious day'n open int, Calls 1,648 Puts 585
250.		
The yen gained ground against	LIFFE E/S OPTIONS	LONDON SE E/S OPTIONS
the dollar in Tokyo, with the US	E25.000 (cents ger £1)	E12,500 (cents per E1)
currency closing at Y155.70 com-	Strike Caits—Last Puts—Last price Aug Sept Oct Dec Aug Sept Oct Dec	orice Aug Sant Oct Dec Aug Sept Oct Dec
pared with Y157.20 on Monday.	1.30 - 18.55 - 10.65 - 0.02 - 0.54	135 - 19.80 - 18.80 - 0.50 - 1.80
The decline of the dollar con-	1.35 13.55 13.55 13.55 13.55 0.80 0.13 0.41 1.25	140 8.50 9.20 — 9.60 0.00 0.50 — 2.70 145 3.55 4.70 0.20 0.20 0.50 2.80 2.80 4.90
tinued a trend set in New York,	1.40 8.55 0.56 0.75 8.22 0.06 0.80 1.20 2.52 1.46 3.85 4.78 8.34 0.19 0.66 1.88 2.78 4.49	150 1.20 2.10 2.80 3.90 3.20 4.60 5.50 7.20
but attempts to push the US	1.90 1.10 2.23 2.89 3.90 2.87 4.33 0.34 7.20	156 0.30 0.85 1.35 0.20 7.30 0.20 9.05 10.60 160 0.10 0.40 — 1.20 12.25 12.80 — 14.30
unit below the resistance level of Y155 met with persistent buy-	1.5 0.10 0.94 1.38 2.30 0.89 7.04 8.83 10.90 1.60 0.01 0.25 0.58 1.27 11.72 12.36 13.03 14.57	160 0.10 0.40 — 1.20 12.25 12.80 — 14.30 165 0.10 0.20 — 0.70 17.25 17.40 — 18.70
ing of the currency. The com-	Estimated volume total. Calls 235 Puts 420	Previous day's open int, Calls 4,257 Puts 1,455
ment by Mr Malcolm Baldrige in	Pravious day'n open int, Calla 3,668 Puts 4,966	Valume 21
Tokyo, that "My defence for the		LIFFE-EURODOLLAR OPTIONS
ever-growing Japanese surplus	PHILADELPHIA SE E/S OPTIONS E12,500 (cents per £1)	Sim points of 100%
before Congress is wearing very	Strike Cels-Lest Puts-Lest	Strikn Calis-Last Puts-Last
thin " contributed to the general	price Aug Sept Doc Mar Aug Sept Dec Mar	price Sept Dec Mar June Sept Dec Mar June 82.25 1.13 1.12 1.06 — 0.80 0.01 0.05 —
weakness of the dollar. Mr Beldri ga forecast that the US	1.30 — 17.00 17.80 — — 0.06 0.40 — 1.35 — 10.80 12.90 13.10 — 0.10 1.05 2.10	\$2.25 1.13 1.12 1.06 — 0.80 0.01 0.05 — 92.50 0.88 0.89 0.64 — 0.00 0.03 0.09 —
trade deficit with Japan may	1.38 — 10.80 12.90 13.10 — 0.10 1.05 2.10 1.40 — 7.85 8.70 19.30 — 0.45 2.25 3.70	92.75 0.64 0.67 0.54 - 0.01 0.06 0.14 -
widen to over \$60bo next year	1.45 3.60 4.20 0.70 9.50 0.55 1.60 4.00 5.75	93.00 0.40 0.67 0.47 — 0.02 0.11 0.22 — 93.25 0.21 0.31 0.32 — 0.06 0.20 0.32 —
from an estimated \$55bn to	1.80 0.95 1.85 3.66 4.50 2.76 4.15 4.80 8.70 1.53 0.10 0.65 2.00 2.85 9.80 7.85 9.80 11.60	93.50 0.08 0.18 0.21 - 0.20 0.32 0.45 -
\$60bo in 1936.	1.00 0.10 1.20 1.80 11.50 12.00 13.80 15.46	93.75 0.02 0.05 0.12 - 0.39 0.48 0.62 -
	Previous day's post int. Calls 3.5112 Puts 32.849	Previous day's open int, Celin 1,283 Puts 1,589 Estimated Volume, Celis 20 Puts 0
<b>CURRENCY MOVEMENTS</b>	Previous day's volume, Calle 3,311 Puts 1,410	Estatuted volutio, Caim 20 Fats 0
Sank of Morgan	CHICAGO LONDON	THREE-MONTH STERLING £500,000 points of 100%
Jely 29 : Engrand Guaranty	US TREASURY BONDS (CBT) 8% 20-YEAR 12% NOTIO	Close High Cos (18)
Index Chango%	5100,000 321th of 100 A	Sept 60.16 80.20 80.12 80.13
9tering 18.1 —10.0 U.S. dollar 112.2 + 5.2	Latest High Low Prey Sept 120-11 120-17	7 119-27 119-27 Mar 90.34 80.34 90.30 90.31

			LONDON THREE-MONTH STERLING 6500,000 points of 100%
BONDS (CBT) 8%			20-YEAR 12% NOTIONAL GILT Close High Low F E50,000 32nds of 100% Sept 80.18 90.20 90.12 80
High 86-28	Low 95-04	Prev 85-00	Close High Low Prev Dec 90.38 90.39 80.32 85 Sept 120-11 120-17 119-27 119-27 Mer 90.34 90.34 90.30 90 Dec 120-08 120-03 120-03 119-22 June 90.24 90.22 90.11 80
94-30 94-01 93-09 92-10	94-09 93-14 92-22 91-28	94-06 93-10 92-18 91-24	Mar' 120-00 — — 119-10 Sept 80.08 80.18 90.02 90  June 120-00 — — 119-18 Est. Volume 1,679 (1,774)  Est. Volume 8,015 (5,771)  Previous day's open int. 13,646 (14,423)
91-21 90-31	91-06 90-18	91-02 90-14 89-28	(13,881) Basis quota (class cash price of 13% THREE-MONTH EURODOLLAR Stee gaints of 100%
Ξ	Ξ	88-30 88-18	of near futures contract) -4 to 4 (32nds).
BILLS (	(IMMA) S	īm	Close High Low Pray Sept 10-50 10-50 10-50 10-50 10-50 10-50 10-50 100-50 100-42 100-50 100-50 100-42 100-50 100-5
High 94.27 94.34	94,23 94,30	Prev 94.23 94.28	Dec 100-80 — 100-38 Previous day's open int. 10, 100-38 (18,451)  Previous day's open int. 1,168 (1,061)  CURRENCY FUTURES
94.27 94.12 83.91	94.08 93.87	94.20 94.03 93.82	FT-SE 100 INDEX E26 per full index POUND-S (FOREION EXCHANGE) point Pound 12-nth 3-nth 8-nth 12-nth
93.70	93.63 93.45	99.61 83.40	Sept 168.10 158.10 156.55 157.55 Hend-STERLING Se per £
(IMM)	\$1m po	ints of	Dec 160.95 160.70 160.70 160.20 Latest High Low F May 163.45 — — 182.70 Sept 1,4785 1,4830 1,4745 1,483 1,48
High	Low	Prev 93,69 93,55	Previous day's open int. 2.442 (2.388) Mar 1.4550 1
=	=	93.14	Close High Low Prev Sept 1,4780 1,4807 1,4785 1,4
URODO 80%	LLAR (H	MEM)	Sept 95-16 95-24 95-03 96-07 Dec 1.4570 — 1.4 Dec 94-23 94-22 94-19 95-18 Mer 1.4560 — 1.4 Est. Volume 7,111 (4.372) Ped (2.002) Est. Volume 91 (201)
High	law	Prov	Previous day's open int. 8,027 (7,937) Previous day's open int. 1,504 (1,4

### **FINANCIAL TIMES**

IS PROPOSING TO PUBLISH A SURVEY ON

# **URBAN** RENEWAL

**PUBLICATION DATE: OCTOBER 6** 

**COPY DATE: SEPTEMBER 22** 

- 1 Introduction
- 2 The mechanisms
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- 4 The major conurbations
- 5 The political background
- 6 Policy alternatives
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# Alexanders Laing & Cruickshank Holdings Ltd

The International Securities House purpose built for the mid 80's and beyond...

### MONEY MARKETS

Frankfurt ...

# Rates steady in dull London trading

Interest rates remained steady on the London money market yesterday. There were no new factors end trading was dall. Sterling improved, but the movement was mostly against Conticent was mostly against Conticent of change abowing little changs against the pound above little littl total lothargy.

The Bank of England forecast a money market shortage of £550m, and provided total assistance of £326m.

Before lunch the authorities bought £67m bills outright, by way of £42m bank bills in band 2 at 91 per cent; £23m bank bills in band 3 at 91 per cent; and £2m bank bills in band 4 at 91 per cent. per cent.

In the afternoon another £339m bills were purchased, through £10m bank bills in band 1 of 9f per cent; £157m bank bills in band 2 of 9f per cent; £61m in band 3 at 9f per cent; £3m Treasury bills in MONEY RATES

Exchequer ng £135m, elow target	at a year-on-year r							
factors out- note circu- to liquidity. money was	(11,00 a,m.		Six months US dollars					
Mr Claus of the West	bid 6 le	Offer 8		pid 0 le Offer 0 le				
TES	The fixing rates tre manns, sounded to t sharestle, of the bid a for \$10m quoted by the	saresa est	t coe- i	day, The	benks ere Benk o one Natio	Maticual 1 Tokyo, pasis de i	Westinin- Deutache	
7½ 9234 93	LONDON MON	EY R	TES					
5.40	1th 58	Over mont	7 days notice	Month	Three Months	Six Months	Year	
8.81 6.05 6.18 6.34 6.72 8.73 7.08 7.17 7.24 7.24 7.54	Interbank	049:114 914:959 014:10 4 	=	912 913	918-10 018-918 918-10 10-14 10-16 10 918- 918- 10-18- 6,45-8-00 018-58- 74-74	948 10 % 948 4 948 10 % 10 % 10 % 10 % 10 % 5.50 6.55 81 6 % 7 % 7 %	018-016	
k Lomberd In'v't'n 1.70 0.0 774 7	Tressury Bills (as 6onk Sitts (asil): one Sille: Average tender Schone IV reference Authority and Finance House Sate for sums at seven day (Series 6): Deposit Eithree menths 19 per cent; nine-12 months Deposita and the series of the series	month 99 rate at a date June a Houses Hate 10 p re' notice 100,000 and sant; three- 10 per ce	to per centing per centing to July eaven de centification	it three m 3.5316 per y 1 (Inclu ys' ectico rom July 0 per cant id ander d is 10 per r £100.000	cont. Electric States of the cont. Electric States of the control	per cent. GD Fixed 124 gor ce senvon do; lenk Oope stas of Toe 1 10 per c nino monti	Finance int. Local /s' fixed. slt flatos oppositent: ons- s 10 per July 16.	

Mercantile House Group

ARE SERVICE

| This section | This s BRITISH FUNDS | 1586 | Stock | Price | + se | Vision | 1586 | Stock | Price | + se | Vision | 1587 | 1588 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | 1589 | AMERICANS-Cont. LONDON SHARE SERVICE | BUILDING, TIMBER, ROADS | Comt | 1966 | Sinck | Price | - | Will | Comp | Price | - | | Will | Price | - | | Will | Price | Pr Price + as Yield 1986 High Law Stock 03. Exch 12sc 1998.
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Obstances of Page 2001

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Obstances of Pag 11 VUSX \$1 14 9750 Umon Carbide \$2 277 Utot. Tech 50r US West| 295 US West| 200 West CANAO

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134- 115- 115- Willey Walley |

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Financial Times Wednesday July 30 1986

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### Account Dealing Dates

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\*First Declara- Last Account Dealings tions Dealings Day July 14 July 24 July 25 Ang 4 July 28 Ang 7 Aug 8 Aug 18 Aug 11 Aug 28 Aug 29 Sept 8 " New-time " dealings may take place from 9.30 am two business days

A steadier performance by sterling in foreign exchange markets enabled confidence to weakness on Monday. It quickly imparted a hetter feeling to Gilt-edged and subsequently caused an impressive turnround

levels.

Equity market sentiment was initially clouded by mounting concern over the US trade position, which krecked 36 points off the Dow Jones FT indices displayed double-figure falls within 30 minutes of the start was because when accordingly but the losses were gradually reduced. Traders were resigning themselves to another mundane

themselves to another mundane trading session when around midday institutional buying interest began to revive.

Publication of an opinion poll revealing a revival in the Government's fortunes aroused more entibusiasm which swept aside the latest gloomy Confederation of British Industry survey on TK business trends; this suggested that output was continuing flat. Throughout the remainder of the afternoon investors were busy and come the restors were busy and come the end of tha day dealers reported having sold much of the stock acquired through the previous Account's self-off.

Account's self-off.

A report that Opec ministers had made progress towards cutting production from current levels was another helpful influence, and the indices settled at the session's best. The FT-SE 100 share index regained a fall of 12.6 to end 7 points up at 1.556.4, while the FT Ordinary share index closed 7.8 higher at 1.271.6, after 1.253.7.

### Composites retreat Publicity given to stockbroker

Publicity given to stockbroker Messel's bearish circular on Composite Insurances prompted marked weakness in the sector. Dealers marked quotations sharply lower at the outset and ensuing selling left early falls ranging to nearly 30 in places. However, cheap buyers appeared at the lower levels and a good rally soon followed. GRE, sold down to S39 at one stage, closed 19 lower on balance at \$49p, but Sun Alliance finished only a penny easier at 689p, after 670p. General Accident relinquished 6 at \$19p, after \$13p and Commercial Union

**EQUITY GROUPS** 

& SUB-SECTIONS

CAPITAL 60005 (212)
Building Materials (26)
Contracting, Construction (30)
Electricals (12)
Electronics (36)
Mechanical Engineering (61)

Brewers and Distillers (22)
Food Manufacturing (22)
Food Retailing (15)
Health and Household Products (10)

Metals and Metal Forming (7) ... 

Publishing & Printing (14)
Packaging and Paper (14)
Stores (39)
Textiles (17).....

OTHER GROUPS (88) .. 

Property (50)... Other Financial (23) ...... Investment Trusts (101) Mining Finance (2)... ALL-SHARE INDEX (734).

2 5-15 years ...

3 Over 15 years...

4 Irredeemables...

Index-Linked

7 Over 5 years....

8 All stocks .....

5 All stocks ......

6 5 years...

FINANCIAL GROUP (117).... Banks (7)..... Insurance (Life) (9)....

FT-SE 100 SHARE INDEX 4 .....

FIXED INTEREST

121.99

9 Schenburg & Learn . 119.79 +0.16 | 119.61

10 Preference......... 84.57 +0.01 84.56 -

Day's change %

140.32 +0.29 | 139.91

148.94 +0.31 | 147.58

163.40 -0.08 163.53

136.63 +0.24 |136.31 |

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11467 +0.21 114.42

115.02 +0.21 | 114.77 | ---

+6.12 121.84

Moo July 28

ad adj. today

nd adj. 1986 to date

7.99

7.93 7.27

1.18

1.99

1.84

5.85

7 High Coupons

15 Debs & 16 Loans

3.73 18 Preference.

Index-Linked
11 Inflat'n rate 5%
12 Inflat'n rate 5%
13 Inflat'n rate 10%
14 Inflat'n rate 10%

# Institutional demand causes smart turnround in equity leaders

A steadier performance by sterling in foreign exchange level of 830p to closa a couple markets enabled confidence to rebuild in London share and 844p. Lloyd's Brokers were bond market yesterday. The recovery, measured by e rise of 8 to 363p in Sedgwick on takenotes, countered the adversa over hopes. Hogg Bohlmson hardened a psuny to 316p; the effects of Wall Street's fresh weakness on Monday. It quickly the acquisition of two firms of extract agents. estate egents. NatWest touched 522p on new

Gilt-edged and subsequently caused an impressive turnround in the equity market.

Dealers lowered bond prices a fraction at the opening to 1/st the market for buyers. The response was immediate and trade eventually improved substantially on the previous session's volume. Selected longer maturities regained 4 before easing in line with Gilt futures indications to close around 1 up on the day. Conventional shorts and index-linked stocks also dividend season on August 7, softened a penny at 5279, after 535p. dividend season on August 7, softened a penny at 527p, after 535p.

535p.

Having marked time for most of the session, leading Breweries responded to good support after-hours and finished at the day's bours and finished at the day's best. Bass were outstanding and put on 15 to 770p, while Whithread "A" improved 5 to 270p. Regionals also made selective progress with Greene King 6 to the good at 211p and Belhaven a penny dearer at 62p, after 60p. the good at 211p and Belhaven a penny dearer at 62p, after 60p.

Sentiment in the Building sector improved as the session wore on and the lesders, having experienced an early mark-down, generally recovered to close firmer on balance. Bine Circle finished 6 higher at 53lp, after 57lp, and BPB Industries 5 dearer at 503p, after 493p.

Tarmac continued its recent recovery and rose 12 more to 480o, while Taylor Woodrow picked up 5 to 503p. Elsewhere, Cement Roadstone continued to trade firmly and closed 3 higher at 2186 peak of 121p. A burst of speculative buying boosted USM-quoted Polypipe 17 to 140p in a restricted market. On the other hand, profit-taking choped a coupla of pence from Raina Industries at 75p and 6 from Derek Crouch at 167p. Gleeson found support at 385p, up 3, but Berkeley Group shed that much, to 432p. while A. Monk drifted off to close 6 cheaner at 118p.

ICI traded quietly and closed virtually unchanged at 994p, Elsewhere in Chemicals Thurgar Barder, at 57p, lost half the previous day's Press-inspired gain of 6, while Morceau gave un 10 to 280p and William Canning slipped 4 to 106p.

Lincroft Kilgour, 18 higher at 223p following speculative support, provided an isolated

813p and Commercial Union less, also a dull market recently 134p; the new hil paid cheapened 3 at 304p, after 304p, under similar circumstances, opened at 1p premiu Royals recovered from an initial picked up in the late dealings to closed at 14p premium.

FT-ACTUARIES SHARE INDICES These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Ouy's Change %

Tuesday July 29 1986

Gross Div. Yield% (ACT at 29%)

| No. | Charge | Char

| Index Day's Day's Day's July July July July Year No. Change High Low 28 25 24 23 22 ago | 1556.4 +7.0 | 1556.4 | 1596.8 | 1549.4 | 1545.8 | 1547.7 | 1572.3 | 1559.2 | 1252.3

5 yrs... Over 5 yrs...

5 yrs... Over 5 yrs...

5 years...... 15 years......

	July	July	July	July	July .	São Aess.	19	66	Since Co	mpilation	
	29	28	25	24	8		tfigte	Low	High	Low	
Government Secs	89.04	88.88	89.19	89.19	83.86	83.87	94.51 (184)	80.39 (20/1)	327.A (9/1/35)	49.18 (37.75)	
Fhed laterest	95.74	95.76	96.03	95.83	95.65	69.74	97.68	86.55 (23/1)	150.A (28/11/47)	50.53	
Ordinary 🛡	1,271.6	1,263.8	1,263.7	1,264.2	1,286.8	936.0	1,425.9	1,094.3	1,435.9	49.4	
Gold Mines	205.0	199.3	196.7	195.9	197.2	· 335.9	357.0 (27/1)	185.7 (18/7)	734.7	43.5	
Ord. Div. Yield	4.34	4.36	4.36	4.36	4.27	4.98		S.E. A	CTIVITY		
Earnings Yld.%(full)	10.36	10.42	16.43	10.49	10.5c	12.29	ledices		July 29	July 25	
P/E Ratio (net) (*) Total Bargales (Est)	11.73 22,336	11.68 23,620	11.67 22,836	11.59 22,985	11.78 23,021	10.02	Glit Edged Equity Burn	Bargaies	123.5	110.2 154.2 1,063.4	
Equity Turnover £m	_	458.11	526.09	52L66	482.98	364.46	Equity Bary Equity Valu 5-Day Ares	rage	926.0	1	
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Day's High 127 Basis 100 Gove			1253.7.		1005 G		120EE SE	Arthitu 19	74 eKII+33 1		

FINANCIAL TIMES STOCK INDICES

Interest in the Engineering sector remained at a relatively low abb. Leading issues followed tha trend with GKN settling 4 up on the day at 335p, after 330p. Elsewhere, buying ahead of next week's interior extrement. 330p. Elsewhere, buying ahead of next week's interim statement left Rotork E higher at 133p. Carcle were also noteworthy for a gain of 13 at 403p, while revived speculative activity left Wellman 2½ dearer at 434p. Simon, down to 223p initially, recovered on the appearance of buyers to close 3 better on the day at 231p.

Business in the Foods expan-

other hand, profit-taking choped to a couple of pence from Raina Industries at 75p and 6 firom Berek Crouch at 187p. Gleeson found support at 385p, up 8, but Berkeley Group shed that much to 42p, while A. Monk drifted off to close 6 cheaner at 118p.

ICI traded quietly and closed virtually unchanged at 994p. Elsewhere in Chemicals Thurgar Bardex, at 57p, lost half the previous day's Press-inspired gain of 6. while Morcean gave aun 10 to 280p and William Canning slipped 4 to 106p.

Lincroft Kilgour, 18 higher at 223p following speculative support, provided an isolated feature in Stores, Elsewhere. Etam moved up 4 at 242p and Milleks improved 5 at 215p.

Brit. Telecom revive

British Telecom, depressed for higher at 188p. Cabbs and Wireless, also a dull market recently under similar circumstances, penced at 1p premium and picked up in the late dealings to close at 14p premium.

Fri July 20

Year ago (approx.)

Thurs July 24

400 144 28

9.25 9.25 9.41 9.59 9.59 9.74 9.57 9.22

3.96 3.57 2.69 3.41

10.09

10.45 10.52

9.95 10.09 10.10 10.74 10.44 10.04

10.87 10.58 10.11

Toes July 29

8.24 9.22 9.25 9.57 9.55 9.76 9.79 9.23

3.86 3.56 2.60 3.40

10.05 10.44 10.50

.+ 10.68 10.88

finish 8 better at 655p. Other leading issues ended on a form note, after showing losses of a few pence at the outset. GEC settled 4 better at 192p and Plessey a couple of pence up at 200p. Racal continued to make progress at 180p, up 4 having sheen down to 172p at one stage. Interest in the Engineering sector remained at a relatively low abb. Leading issues followed that trend with GKN settling 4 to the day at 355p, after

### Hargreaves higher

Hargreaves continued to move ahead following the unwelcome cash and share exchange offer from Coalite, closing 5 dearer at 235p for a two-day gain of 55; Coalite eased 3 more to 289p making the offer worth just over 222p per share. Elsewhere in the miscellaneous industrial sector, renewed speculative demand left

222p per share. Elsewhere in the miscellaneous industrial sector, renewed speculative demand left Metal Closures 13 higher at 155p. after 158p. Press comment directed huying attention to Johnson Matthey which rose 3 to 193p, while Stainless Metal-craft improved 5 to 180p in response to acquisition news. Parkfield Group, in contrast, met with profit-taking after the preliminary figures and gave up 10 to 525p, hnt Whitecroft, encouraged hy the chairman's annual statement, firmed 5 to 222p. Occasional demand left BBA Group 8 dearer at 218p, while speculative activity continued in Times Veneer which improved 31 to 641p. Leading issues opened a few pence lower, hut selective support prompted a small improvement and most quotations ended the day with little alteration. BOC. however, finished 3 firmer at 306p, the third quarter figures are expected in 7 August.

Television South lost 12 to 223p following details of a fig.3m rights issue to finance US and French acquisitions.

T. Cowle were outstanding in Motors, rising 6 afresh to 1920

US and French acquisitions.

T. Cowle were outstanding in Motors, rising 6 afresh to 1920 as investors continued to hope for bumper interim profits when the company report on Monday; at the same time, huyers are also looking for imminent developments concerning the group's proposed flotation of 50 per cept of its contract hire and leasing husiness. Elsewhere, Jaguar dropped to 503 before

leasing husiness. Elsewhere,
Jaguar dropped to 503p before
rallying smartly to finish only
a couple of pence off at 511p.
In Paper/Printings, Holmes
and Marchant bardened 5 at
663p following news of the
application for a full stockmarket listing and the proposed

100 per cent scrip-issue. Gold Greenless Trott improved 5 to 210p after the satisfactory results and Boase Massimi added to 251p in reply to the rights issue result. DRG recovered from an 'altial dull leyel of 265p to close only 2 easier at 278p.

Property leadars opened a few pence lower, but generally recovered following the appearance of "cheap" huyers to close a shade firmer for choice. MEPC finished 3 hetter at 333p, after 328p, while Land Securities were finally unchanged at 322p, after 320p. British Land revived with an improvement of 3 at 170p. Elsewhere, Percy Bilton touched 300p in reply to Presa comment highlighting hid possibilities before profit-taking left the close only a couple of pence dearer on balance at 294p. left the close only a couple of pence dearer on balance at 294p. Newspaper mention boosted rumoured "shell" situation Parkdale 5 to a peak of 86p, while Imry rose 15 to 310p awaiting news from the annual meeting. Rosehaugh attracted further buying interest at 615p, up 20, hut Regalian slipped 15 to 575p. Abaco attracted lata support and closed 2 better at 69p, after 65p.

Profit-taking in the wake of the interim figures saw Barma-

the interim figures saw Burma-tex touch 178p before closing 8 lower on halance et 188p. Else-where in Textiles, Courtanids softened a couple of pence at

softened a couple of pence at 263p. Plan Investment highlighted Financial Trusts, rising 18 to 123p following news of the share exchange hid from Stakis, a penny dearer at 64p. NMG Investments, still reflecting the Saatchi hrothers' comhined staks in the company of nearly 39 per cent, rose 10 more to 145p, while Amalgamated Finarcial advanced 41 to 281p, after 30p, following a sudden flurry of speculative huying. Authority investments, meanwhile, plummeted 90 to 330p on the announcement that the offer from Messrs Backhouse, Campbell and Inns had been extended to August 14; the tender offer from Berkley House lapsed on Monday. Mercantile House gave np 8 at 292p on profit-taking ahead of today's preliminary results.

Britoil rally
Reports that OPEC ministers
had made a certain amount of
progress towards cutting group
production at the meeting in
Geneva induced stability to the
Oil sector where share prices

# **NEW HIGHS AND LOWS FOR 1986**

NEW HIGHS (28)

NEW HIGHS (28)

BANKS (1) First Pacific Hidgs.
BREWERB (1) Brown (Metthew).
BUILDINIB (2) Coment-Roadstons.
Glesson (M. J.) CHEMICALS (1)
Coatse Broe. STORES (1) Lincroft
Kilgour. ELECTRICALS (1) Pissmec.
ENGINEERINI (2) Deritand Stamping.
Hobson. FOOCS (1) Salewsy.
INDUSTRIALS (5) Hargresves. Hutchison Whampos. Jardins Hidgs. Mainmet, Times Venser. PAPER (1) Thopac. PROPERTY (2) Peschay. Priest
Marisns. TRUSTS (8) Govert Oriental,
M & II 2nd. Ilusi Inc.. TR Pacific
Besin. US Deb Corp. Amalgameted
Financial Invs. Berkaley Technology.
NMC Invs. Parrish (J. T.), Plan Invest.
Otl.S (1) Conroy Par Nat Res.

NEW LOWS (68) NEW LOWS (69)
AMERICANS (7) Amax, Amfac. BASIX
Corp. Bethlehem Breel, CSX Corp.
Hospital Corp Amer. Inalico.
CANADIANS (2) Galf Can, Inco.
BANKS (3) Bank Leami Le-Israel, Mar-

Cury Ind. Schreders NV. CHEMICALS
(2) Leigh Interests. Morcesu. ELECTRICALS (6) Goring Kerr, Intl Signel &
Control. Norsk Oeta A. Process
Bystems. Sintrom, Wayne Kerr.
ENGINEERING (3) Locker (T.) A. SPP.
Wyndham. FOODS (4) Argyll Grosp.,
aadeys. Cullen's, Fitch Lovell. HOTELS
(1) Abserdeen Steak Hoasses. INDUSTRIALS (8) CSR. Colorgan Inc.,
Biplome, Elkem AS, Hawley Cnv Red
Prl. Limoges Forcelain, Marting Inds.,
Toye. INSURANCS (3) Abbey Life.,
Heath (C. 8.), London & Manchester
Grosp. LEISURE (1) Aspinall. MOTORS
(1) Gen Motor Units. PAPER (4) Crown
Int Prode. Good Relations, Klearfold
Inc., Wetmoughs. TRUSTS (7) Amaricen Trust. Bo. B. First Charlotte
Assets, G&C Cepital, Independant Inv.,
Abinkworth. Asset Trust. OILS (6)
Cleremont Pst. Rapphire Pet, Tricentrol
11pc Cv In '85-05, 7-1ton Europe.
Ultramar. OVERBEAS TRADERS (1)
Polly Peck Intl Spc Cv In '03-'08.
MINES (2) Geevor Tin, Musta Explors.

## BASE LENDING RATES

	%	<b>%</b>	
ABN Bank	10	Exeter Trust Ltd 164	4
ABN Bank	10	Financial & Gen. Sec 10	_
Allied Dunbar & Co	10	First Nat. Fin. Corp 11	
Allied Irish Bank	16	First Nat. Sec. Ltd 11	
American Express Bk	19	Robert Fleming & Co 19	
Amro Bank	10	Robert Fraser & Ptrs 11	
Henry Ansbacher	10	Grindleys Bank 116	
Associates Cap Corp	10	Grinness Mahon	
Banco de Bilhao	10	e Hambros Bank 19	
Bank Hapoalim	10	Heritable & Gen. Trust 10	
Bank Leumi (UK)	19	e Hill Samuel 510	
Bank Credit & Comm	10	C. Hoare & Co 10	
Bank of Cyprus		Hongkong & Shanghai 10	
Bank of Ireland	18	Knowaley & Co. Ltd 184	_
Bank of India		Lloyds Bank	-
Bank of Scotland	10	Mase Westpac Ltd 19	
Banque Belge Ltd	10	Mase Westpec Ltd	
Barclays Bank	10		
Benchmark Trust Ltd			
Beneficial Trust Ltd	ii		
Berliner Bank AG	18	24445r 4104m 0015r	
Brit. Bk. of Mid. East	10	National Bk. of Kuwait 19	
Brown Shipley	10	National Girobank 18	
CL Bank Nederland	10	National Westminster 19	
Canada Permanent	10	Northern Bank Ltd 16	
Cayzer Ltd	10	Norwich Gen. Trust 18	
Cedar Holdings	11	PK Finans. Intl (UK) 18	4
Charterhouse Bank	18	Provincial Trust Ltd 11	
Citibank NA		R. Raphael & Sons 10	
Citibank Savings		Rozburghe Guarantee 11	
City Merchants Bank	14	Royal Bank of Scotland 19	
Clydesdale Bank	10	Royal Trust Co. Canada 10	
Coum. Bk. N. East	10	Standard Chartered 10	
Consolidated Credits	10	Trustee Savings Bank 10	
Continental Trust Ltd	18	UDT Mortgage Express 11	19
CONTRACTOR TRUST LAU	*10 TA	United Bank of Kuwait 19	_
Co-operative Bank	14	United Mizrahi Bank 10	
The Cyprus Popular Bk	10 10	Westnac Banking Corp 18	
Duncan Lawrie	11	Whitesway Laidlaw 16	4
E. T. Trust		Yorkshire Bank	-
Equatorial Tst Corp. pic			
<ul> <li>Members of the Accepting h</li> </ul>	iouses C	ommittee. * 7-day deposits 5.69%. 1	-
month 6.03%. Top Tier—62	5,000+	at 3 months' notice 9.72%. At cal	1
when £10,000+ remains dep	osited.	Call deposits £1,000 and over 649	
gross. ¶ Mortgage base rate	. § De	mand deposit 5.82%. Mortgage 11%	-

often opened lower in the wake of Wall Street's fall overnight. Business, however, was very light and quotations, having recovered from the initial markdown, falled to make any worthwhile progress. BP closed unchanged on the day at 565p, while Shell edged up 5 to 800p. Britoil, having fallen sharply in the wake of Friday's dismalresults, staged a minor rally to close 4 better at 105p. Enterprise close 4 hetter at 105p. Enterprise close 4 hetter at 105p. Enterprise improved a couple of pence to 96p, but Burman lost 3 at 381p. Elsewhere, New London Oil touched 21p prior to closing a penny up at 18p following the acquisition of certain nil and gas interests and working capital of \$700,000 from Guinness Peat in exchange for an issue of 8m New London shares. issue of 8m New London shares. ISSUE OF SM New London snares.
Conroy Petroleum, a firm market
if late, moved up to a 1986
peak of 167p before easing back
to close unchanged at 160p.
In Overseas Traders Lourho
fall 10 to 228p following adverse

South African Golds took Mon-day's rally a stage further. An improved performance by the Financial Rand against the dollar initially atimulated a use-ful two-way business in ful two-way business in top-quality stocks, but dealers later reported occasional ner-yous offerings reflecting easier indications from the US. Many he content to remain on the sidelines awaiting the outcome of the European Community's pesce mission to the Republic.

Bullion proved to be less of a factor than of late, closing \$1 lower at \$352.5 an ounce, but the FT Gold Mines index advanced 5.7 to 205.0 .... the highest level for over a month. Gains among heavyweight Golds extended to a point as in Vaal Reefs at £371. Western Deep, £171, and Randfontein, £44, put on around a half-point apiece. Smaller-priced issues showed

Smaller-priced issues showed rises of 14 in Welkom, 328p, and Blyvoor, 272p, while Grootviel closed 11 higher at 185p.

The current buoyant Platinum

The current buoyant Platinum price — a result of revived fears of a supply shortage — lifted Rustenburg and Impala 30 and 35 respectively to the common level of 615p; the latter's preliminary figures are scheduled for mid-August.

South African Financials mirrored Golds. Amgold improved i more to £35i, whila GFSA hardened 20 to 584p. London-domicilled counters were irregular. Consolidated Gold Fleids rose a few pence to 427p, hut RTZ met sporadic selling and shed 6 to 544p. East Rand Consolidated, in receipt of sizeable country support recently, hardened 2 to 39p.

An improved showing by overlight Series and Salayana and Walbarras.

hardened 2 to 39p.

An improved showing by overnight Sydney and Melhourne markets failed to stimulate activity in London. Leading resource issues gave up most of the gains established on Mooday with CRA 6 off at 228p and Peko-Wallsend 7 cheaper at 209p. Australian Golds, however, remained firm with gains of 5 common to Gold Mines of Kalgoorite, 360p. and Central Norseman, 353p. Sons of Gwalla hardened a couple of pence to 202p following news: of record production at its operations in Leonora, Western Australia.

Traded ontions

_	UROP	-			tov.		Feb.	
		100	Last	Vol.	Let	VOL	Legi	Stock
Ser	The second second	Vol.		700	-	1	_	\$352.40
COLD C	\$340	95	7.50	5	15.50A	5	2A	-
COLD C	2350	512	16A 7.50 2.50	83	10.50		11.50	-
EOLD C	\$350 \$360 \$370	10	1	101	6.50	8	44.50	-
GOLD P	2320	Z	0.70	15	2.508	1 =		
COLD P	\$330	-		65	48	1	=	
COLD P	\$350	150	3106	8	7.40	<u> </u>		<u> </u>
		-	iept.		Des.		April .	1
SFL C	FL#50	11	8	****	_	7 -	<i>! = </i>	N.18917
S/FLC	FL355	11 30 10	5 56 150	=	=	1 =	=	-
SIFL C SIFL C SIFL C	F1.360 F1.365		156	1 =	_	<b> </b> –	_	
efl c efl p	FL350 FL355	20 2	4	19	12	_	=	-
CEL D	Pl.355	_	8	1 19	12.50	=	111111111	된 23e720
SAFL C SAFL C SAFL C	FL230 FL235 FL240	3	4.50 2.30 1.50 0.70	i —	_	1 —	_	-
SFL C	FL240	5 25 X 4 9	4.50	105	7.20 5	=	=	
SFLC SFLC SFLC SFLC SFLC	PL245 PL259 PL255	31	1.50	_		1 -	1 -	1 =
S/FL C	F1.255	9	0.70	1,2	2.40 0.60A 4.80A	1 =	! =	-
SFL C	FL275 FL230	-	1.90	話	4.BOA	78	6.8CA	:
SIFL P	ET 295	29	3.40	80	6.80 9.20	] [	11.60	-
STLP	FL240	208	5.70	22 67 80 11 5	920	1 4	11.00	-
SAFL P	FI.240 FI.245 FI.250	29 208 24 35	1.90 3.40 5.70 8.70 12.40	16	15.40	1 —	<b>!</b> –	<u> </u>
SFL P	R.255	106	17	_=		<u>L=</u>	<u> </u>	<u> </u>
		_	Det.		ar.	T .	Apr.	I
ARM C	FL620	147	11 4.20	10	21.50 8.20	-	_	FL597.50
ABN C ABN P AEGN C AEGN P	FL560	7	4.20	10 22 25	8.20 48	1 = 1	=	F1.99.70
AEGN P	FL110 FL200	15	4.50	10	6.40	90	7.10	FL68.90
AH C	FL90	37	520	10	7	1 = 1	=	. "
AKZD C	FL90 FL160	283	7.50	47	11.10 9.20	1 = 1	} ==	FL156.70
AICZD C AICZD F	FL 160	315 35 36 36 36 36 36 36 36 36 36 36 36 36 36	7.20	77	9.20		- 40	F1.74.50
AMEY C	PLBO FLBS	45	1.80 4.50 5.20 4.30 7.50 7.20 1.70 11.50 3.808 2.50	47 R 25 20 N 5	3.80 11.50	=	10 	51705
AMRO C	F1.110	192	3208	20	6.608 3.60 4.50	=	1 =	FL105
AMRO C AMRO P CIST C CIST P	FI.100	93	2	5	4.50	[ -	I —	FL53.20
CIST P	FI.56 FI.54 FI.300	47	2.50	82	5.208	=	=	FL164.10
HEIN C	FL160	45	4.50	17	5.50	_	_	FI.103
HOOG C	FL160 FL100 FL100	45 192 74 93 47 20 45 371 362 305	4.50 9.50 4.20 1.20 2.50	82217 1317 257 259 22	1 4	20	6.50A	1.
KLM C	FL50	362	120	22	2.40	. 6	4	FI.45.90
NEDL C	FL50 FL45 FL190	_	2.50	89	240 350 350	=	=	F1.159
MEDL P	E 140	35	4.60	· —	_	7	h20	מהפתח
NATH C	FL65 FL80 FL85	27 54 369	2.10	72	4	1 4		
PHIL C	PLSS	369	3.906 1.20	141	2.10	55 197	3.40A 5.30	FI.47.10
PHIL P	FL190	391	3.508 4.50	138	4.80	_		FL184.80
RD C	M780	391 470 620	48	141 138 161 560	530 530 25	32	6.50 6.40	F1.89.40
WHIL C	F1.90	199 104	350		5.50	1 4	6.40	FL478
UMIL C	FL460	177	5.70	67 15	10	1 7 .		

### TRADITIONAL OPTIONS

Last For

First Last Last For Deal- Deal- Declara-Settleings ings from ment
July 21 Aug 1 Oct 23 Nov 3
Aug 4 Aug 15 Nov 6 Nov 17
Aug 18 Sept 5 Nov 29 Dec 1
For rate indications see end of
Unit Trust Servica

Money was given for the call
of York Mount, Cray Electronics,
Kode International, Thomas
Marshall (Loxiey), Ragian Property Trust, Briteil, Amstrad
Consumer Electronics, Parkfield,
York and Equity, Hawley,

Prestwich, Nolton, Combined
Technologies, International
Signal and Control, Grovebell,
Abaco Investments, Hawtin,
Dwek, British Benzol, Blackwood Hodge, Glandeld Lawrence,
Carless Capel, Chancery Securities, Beecham, East Rand Consolidated, Enterprise Gold,
Camon Street Investments,
Burndene, Plessey and Barker
and Bobson. Puts were taken
out in Lourhe, Benlox, Metal
Box and C. & W, Walker, while
doubla options were transacted
in Dixons and Intervision Prestwich, Nolton, Combined

### RISES AND FALLS YESTERDAY

Corpus, Dom. and Foreign Bonds ... 13 53 

flurry
Traded options
Traded Options
Traded Option volume improved as a lievelier session in the underlying securities prompted operators to take out fresh positions. A useful and evenly-balanced business developed in the FT-SE 100 index contract one which contributed 2,459 calls and 671 puts. Total contracts done amounted to 16,185.

MONDAY'S ACTIVE STOCKS

Besed on bergales recorded in SE Officie List

Besed on bergales recorded in SE Officie List

Besed on bergales recorded in SE Officie List

No. of Mon.

Stock No. of Mon.

Stock Changes tions changes close change stock (Classes Changes close changes to the wide contract with the stock of the second secon

July Aug. Sept. Oct. July Aug. Sept. Oct.

July 29. Total contracts 16,185. Calls 9,610. Park 6,575 \*\*Binderlying Security price.

			L	ON.	DO	N	TRA	DED C	PTI	01	IS					
			CALL	5		PUT	3 ·					CALL	-		PUTS	
Option	1	Qc2.	Jan.	Apr.	Oct.	Jag			otlen		Aug.	Nov.	Feb.	Aug.	Nov.	Fet
Alled Lyons (*325)	500 330 360	4020	47 28 14	55 35 20	1月30	BR.	11 25 45	1947)	1 1 5	00 50 00	224	70 35 17	85 50 30	20 62	25	おから
8.P. (*560)	500 550 600	73 38 15	87 48 25	50 28	4 10 50	27	33	P. A. 0 (~488)	455	288	38 e a	48 25 9	65 40 18	5 22 65	15 35 68	20
Cors. Gold (*429)	420 460 500	35 16	50 32 18	55 37	22 50 22	34 57 82	40 65	Recal (*180)	1 1	60 80 80 80	22 10 3	32 10 10	38 26 16	28 24	6 12 24	B 14 26
Courtenids (*253)	250 280 300	20 15	29 16 10	39 29	1024	16 27 41	20 53	R.T.Z. (*544)	56	50 50 50	15 3 2 2	45 25 14	34	18 60	30 67	30 74 117
Com. Union (*304)	300 300 330	91 20	31 19	40 28	13 13	15	76 50	Vand Res (*\$55)	fs	50	6 <sup>1</sup> 2	10 5 3	1112	2 70,	165 11	167
Cabbo & Wire (*65U)	600 650 700	80 40 15	95 SE	1580	1188	20 40 65	50	Tr. 1114		86	02	112 04 04	14	29 01 25 49	195 155 40 40	No.
Distillers (*700)	600 650	120 80 42	=	=	105 4 12	305	E	Tr.114% 0	3/07	16	ZH 15 04 04	4444	пана	01, 13,	24.34.54	3446
GEC.	700		26	34	30	-	20	- 0	doe	-	See	_		42	_	_
(*192) Grant Mar.	200 220	22 11 5	27 9	S. RY	16	17 32	=	Bearing (*405)		160 90 20	53 30 17	65 43	75 53	2 9 27	0ec 6 17	11 22 39
(*363)	302 370 420	28	8 180	45	10 40	15 28 45	30	Beets (*256)	4	60	43	28 17	23	5B	17 32 63	65
I.C.I. (**977)	900 950	107	152	132	9	H	42	67R		20 80 60	25 12	32 20	39 29	251	B 17	댸
	1050	42 28	70 45	57	22 47 82	55 82	65 90	(*295)	3	80 00 07	25 8	20	33	5 17	25	181
Land Sec. (*322)	300 330 360	34 16 6	24 13	31 32 19	15 40	7 18 40	20 4	\$245 (*795)		50 50 50	40 15 6	70 30 17	80 50 30	18 43	2058	8778
(*197)	200 200 220	25 10 4	31 18 11	74 24	11 24	13 27	10 16 30	Star Circ ("582)	1 6		45 17	63 37 18	8555	6 28 75	12 35 75	15 38
Sheft Trace. (*801)	700 750 800	113 72 32	130 90 57	105 75	3 11 30	10 20 50	28 42	De Beer (*\$6.107	1 2	욹	82 47 22 21 21 21	158	100. 65	15	75 50 75	73
ratelger House (*254)	250 250 300	6	20 12 6	28 19	12 50 47	14 31 47	21 34	Discuss (*328)		00	22	35 44 26	N N N	3 13 36	113 6 18 36	13
							-	GXX	3	20	45					40
Option Louriso	218	Ass.	Nov. 25	Mar	Apg 4	#OV		(*395)	3	100 E	9 3	の対策を	427.16	S S S S S S S S S S S S S S S S S S S	15 92 61	18,23
(*229)	236 240 255 260	1	7	20 10	33	16 34	25	(*952)	90 100 100	8	55 65 65 90	125 95 70 50	125	20	35 55	1000
Option		Aug	Nov.	Feb.	Aug.	Nov.	Feb	(*171)	12		9	=	=	1	=	=
Brit Agra (~473)	報 900 930	10	6 27 12	62 40 20	12 40 80	30 50	30 30 30		i i	0   2	6 2	27 13	300	3 12 25	5 15 29	918
BA7 linis (*401)	360 390 420	47 22 5	50 32 15	55 42 25	3 9 22	5 15 27	8 20 35	(-311)	46 50 55	a i	5 5 2	73 46 27	- 62 88	3 15	12 25 50	<u>n</u>
Barclays	460	Ø₂ 70	6 25	100	2	7	11	Thure EM (~444)	42	Õ 2	10	36	100	7	발	25

28 4 17 16 9 34

31 59 1 3 28 39 5 10 15 22 20 25

90 9 17 25 6 10 15 100 3 11 17 13 18 20

80pening index 1539.2; 10 am 1540.1; 11 am 1544.4; Noon 1547.2; 1 pm 1549.6; 2 pm 1549.5; 3 pm 1551.0; 3.30 pm 1554.0; 4 pm 1554.2 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constitue is available from the Publishers, the Financial Times, Gracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

から こうじゅうこう 大変を

AUSTRIA	GERMANY	NORWAY AUSTRALI	JAPAN (continued) Price + or Price; + or	1	
Sch. ,	July 29 Price + er	July 32 Kroner — July 25  Bergens Bank 164 —1 Gen. Prop.	Trust 8.66 + 0.84 MHI	CANADA	
Oredit nst it pp 2,210 30 Goesser 6,53010 Interunfall 15,000 +60 Jungbunzlauer 17,000	AEG	Christiana Sank. 175 . +2 Hartogen Er	near 3.65 Mitsul Bank 1.090 —6	Sales Stock High Low Clase Chang   Sales Stock High Low Clase Ch	on I Sales Start: High Low Class Ching   Sales Starck High Low Class Ching
D-1-0010011 2,210	Baver 255.5 - 1.5	Elkem   92   -1   (C) Aust	F.P., 0 22 Mitsukoshi		10165 Labelt \$241, 24 241, 11305 Sper Agre 1 \$251, 241r 25
Stay Deimin	BHF.Bank	Koemos	1,490 —5 Nicko Sec	Prices at 2.30pm. 13300 Computing 405 400 400 - 3600 Comput in 600 285 295 -	25 1200 Lacence S61 B1 81 -1 587 Salico A 5221 211 221 + 1 2 7800 Lacence S61 24 24 24 + 1 2800 Sulptre 45 40 45 +5
BELGIUM/LUEXMBOURG	Cont'  Gumm1 283 2.5		kless., 2,79 Nippon Exgress., 1,030 +1 Sank., 5,04 +0,1 Higpon Gakki, 1,590 -3	11900 Con Bath A \$24 233, 24	17200 Leigh Inst \$514 490 5 -14 1000 Tele Met \$314 314 314 100 10 100 Tele Met \$314 314 314 10 14 8780 Lobiaw Co 2124 124 124 -14 3721 Terra Mn 216 216 216 +11
July 29 Price '+ or	Oaimier-Banz 1,131. —11 Gegussa	SPAIN News	wri 2.71 —0.00 Ni2pon Kokan 239 —9 .Prpd) 0.26 Nippon Gil 1,260 , —1 NIV 1,87 +0.02 Nippon Solko 485 —1	1 369 AMCA Nt. 3104 1574 1474 4000 Cont Ges \$2712 Z712 Z712 Z712 Z712 Z712 Z712 Z712	ti   7600 Lumonics \$134 136 134 - 1 8650 Tazaco Can \$251 25 25 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
B.B.L. 3,080 -53 Bang, Oen, Lick., 15,600 Bang, Int.A.Luc., 15,100 +100	Deutschn Bank. 799 +4 Orescher Bank 406 +5 Feld Muchie Nbi 271 -2,5	July 32 Pts & I — Oakbridge.		600 Albria En 587 97 67 100 C Faicon C 513 18 18	t <sub>a</sub>   3000 Mctn HY 1 3173 <sub>a</sub> 173 <sub>a</sub> 173 <sub>b</sub>   540 Tor Sun 5265 <sub>a</sub> 255 <sub>a</sub> 255 <sub>a</sub> 173 <sub>b</sub>   224015 Macmillan 537 381 <sub>a</sub> 205 <sub>a</sub> + 3 <sub>a</sub> 14115 Toristan 9 1 524 331 <sub>2</sub> 34 + 1 <sub>a</sub> 135283 Marma A 1 535 341 <sub>a</sub> 342 <sub>b</sub> - 3 <sub>a</sub> 13200 Tobal Pet 5243 <sub>a</sub> 221 <sub>a</sub> 221 <sub>a</sub> - 21
Bang, Int.A.Lux. 15,100 +100 Bakaert	Hnnkel	Boo Bilbao   211     Pancentine   Boo Central   695   -4   Planear Cor   Sco Exterior   373     Poseidon   Boo Hispano   570   -2   Queensland	nc 2.5	43732 Alcan \$4014 40 4014 +14 100 Consta H 08 50 06 +	5 2834 Maritime I 515 15 15 392 Traders A 1 3461 4612 4612 460 Minrt Res 265 265 265 - 15 2056 TrGan R A 85 85 06
Oelhaize 2,850	Hoesch werke 142 -11.5	Boo Popular 1,080 +35 Reckitt & Co		3112 Asamera 5712 72 72 72 1350 Crowns A 1 5131 13 13 13 1350 Czar Res 125 122 125 +	200 Mortat \$14b 14b 14b - 1 16713 TrnAtte UA \$284 28 28b
Fabrique Nat 2,080 —00 G9 Inno BM 7,970. +10 OBL 18rux: 3,080, —00	Holzmann IP	Dregados	ard 4.1 + 0.1   Drient Finance 1,300 6	1200 BC Sugar A \$2014 2019 2014 +14 13600 Denison A 2 \$551 550 550 - 3700 BGR A \$751 75 75 75 1400 Denison B 1 6519 651 651 550 27005 BK BCol 280 285 285 -5 150 Dickment A 1 \$752 75 75 75 75 75 75 75 75 75 75 75 75 75	44537 Molson A I \$281, 281, 281, 33887 TrGan PL \$151, 161, 131, 14, 17100 Molson 9 \$281, 281, 281, 281, 281, 281, 281, 281,
Electrobel 14,925 - 90 - 90 - 90 - 90 - 90 - 90 - 90 - 9	KHD 206 -4	Telafonica 191.5 +2.5 Westera Mir	Ricoh 805 -3	27059 Bk BCol 280 285 285 -5 155 Dickmen 9 \$75 78 -	[ 1400 Nt Vg Tree \$27 27 27   38660 U Ganso 52 50 50 =2
Intercom	Kloeckner	SWEDEN Wastpac Ba Woodside Po Woodworths	etrol. 0.8 +0.03 Sanyo Elect	2000 Bluesky 225 225 +5 27981 Dome Peter 108 103 104 - 3331 Romanza 8 115 105 115 100 0 Textle \$191, 191, 191,	13179 Noranda \$173 <sub>e</sub> 177 <sub>e</sub> 173 <sub>e</sub> 1800 Versti 9 215 215 25 +5
Petrofina 8.570 —90 Royale Belge 96,250 +900	Mannesmann 171 ' —1	July 29 ,Kronor — Wormald In	NAME	) 6280 Bow Valy \$97 <sub>8</sub> \$5 <sub>4</sub> \$93 <sub>4</sub> 12 Domair & 2514 2514 2514 100 Bramaira \$221 <sub>8</sub> 221 <sub>9</sub> 221 <sub>9</sub> - 3 <sub>8</sub> 1000 Donohus \$28 28 28 - 28 - 28 28 28 28 28 28 28 28 28 28 28 28 28	, 2525 NC-Olls \$85, 91, 93, +1, 2900 Warax A \$18, 16 18, -1,
\$0lvay	Mnroedes Hid   258 -10   Metaligescii   280 -0.5   Muonch Rueck   2,960 -40   Nixdorf   575 + 7   Perscho   259 -5	AGA 200 +5 HONG KO		8700 9rkwater \$5 \$ 5   183065 Dylex A \$177g 175g 173g -	600 Northgat 440 440 440 420 Watthurne 3139 <sub>2</sub> 163 <sub>6</sub> 163 <sub>7</sub> - 3 <sub>8</sub>
Stanwick Intl 500	Preussag. 168 - 2 Rhein West Elect 190 - 1 Rosenthel 356	ASEA [Free] 5625 Astra (Free) 5708 Atlas Copco 2154	H.K.S — Stome Bank 2.050 —86	1000 Strenda M S814 814 514 514 57600 ECHO S89 \$215g 213g 213g - 18168 BC ForP \$13 125g 1234 - 18 500 Emon \$82914 2944 2944 - 98 5700 Equity Svr 400 380 400 370 800 800 800 800 800 800 800 800 800 8	8200 Nu West 27 27 27 -2 31500 Westor 53314 3314 3314 100 Number 575 75 75 75 1320 Woodwd A 5614 634 634
Wagona Lits 5,300 -40	Schering	Attas Copco	lsig; 17.9 ; —0.2   S'tomo Corp \	7376 BC Phone \$271- 271- 277- +1 2340 FCA hts 5161- 181- 181 3150 Brunswk 5125- 121- 1211 3500 Renbrdg \$187- 185- 185 13330 CAE \$113- 115- 113- +1 217800 Fed hd A \$171- 17 - 4700 CCL 9   \$193- 195- 185-   100 Fraing A \$15 15 15 + 700 CLL \$287- 283- 2851 1400 FChy Fin \$143- 145- 145-	2155 Oshawa A 1 \$235 2314 2314 - 19 F-No voting rights or restricted voting
DENMARK	Varta	Ericason B	16.2 +0.2 Talsei Corp 517 +4'	14300 Carl Fry \$225, 22 22 -s, 600 Gandalf \$612 512 512 - 1300 Cambridg \$225, 231, 231, 700 Gaz Metr \$123, 121, 123, +	2500 PanCen P \$22% 22½ 22½ - ¼
July 29 Price + or Knr % -	Vnrein-West 428 Volkswagen 4547.2	Pharmacia	Land 9.40 Takeda	1750 Camp Som \$34 331, 331,   100 GMR YK 314 14 14 14 14 -	3025 Poco Pet 877 <sub>8</sub> 73 <sub>4</sub> 73 <sub>4</sub> - 1 <sub>8</sub> 4 19070 Power Cor 1 \$173 <sub>8</sub> 171 <sub>8</sub> - 1 <sub>4</sub>
Andelsbankeni 191 ; +1 Baltice Skand ; 535 +5 Cop Handels'nk ; 259   +2	ITALY	Sonneson 160 HK Land	1,900 —3	330 Campenu 1 \$251, 251, 251, -5, 0000 Goldon 1 507 64, 67 4 10200 Comm ex p \$141, 141, 181, 8500 Goldon A 1 \$29 197, 20 -	3500 Provigo \$19% 1914 1929 - 18 MONTREAL
0. Sukkerfab 619 i + 1 Danske Bank 285	July 29 ; Lira —	StoraKopparbrg., 316	ne 12.2   +0.5   Tokyo Gas 760   +50	100 Can Matt \$19 19 10 -12 330 Greynod \$2512 2512 2512 167300 C Nor West \$13 13 13 -14 12375 GuarPA 1 \$13 1214 13 +	4 2700 Rayrock   \$5'8 514 5'8
East Asiatic	Sanco Com'le 26,950	Votvo 8 (Free) 584 —3 Hutchison Ward Hew World I SHK Props.	th 19.2 +0.3 Tokyu Corp	3800 C Packrs   \$173, 171; 171; -1, 1290 Gulf Can   \$173, 171; 171; -1, 1	1405 Rio Algom \$23 225 225 - 5 5878 Bank Mont \$30's 30's 30's 20's 20's 20's 20's 20's 20's 20's 2
1.5.S.B 585 · —10	Credito Italiano 5,280 - 00	TV-2	13.6 +0.01 Toyo felkan	33 CG Invest \$35 55 55 199 H Baykin e \$5' 5 816 154215 CI Bik Com \$171, 187, 187, 187, 1874 H Bayk Co \$27', 273, 273, 274, 245, 245, 245, 24, 1855 Husky Oil \$7', 7 7 7	27590 Rogert B 1 527g 213g 213g -11g 35780 Cascades 2177g 167g 167g -1g 167
Jyske Bank 598	General Assiour_ 141,690	July 22 Fra. Winsor Inde	8.450.1 JUBE Inds 288 -10	1 3850 C Occiental \$187, 165, 785, +1 3906 Imesco \$354, 351, 351, 351, 100789 CP Ltd \$151, 147, 147, -1, 17040 Imp Oil A \$374, 387, 37 -	
Provinsbankon 354 +1	Montadison 5 420 + 27	Adje Intl	Yamalchi Sec1,410 -4	1 15,05 COOL V   210,0 15 16,0   19900 NATION 412,0 14,0	1100 Suc Cent 1 \$13° 1814 1814 32950 Noverco \$12% 12' 12' 12' 12' 12' 12' 12' 12' 12' 12'
Sugorfos 284	Olivetti		Yamazaki	2396 Cannon A \$191 16 18 -1 23200 Innopec \$171 185 17 -	2400 Scotts   \$3814 39 39 -14 3000 Rolland9 \$145 141 141 -14 58700 Seagram \$781, 781 781 -14 3000 Rolland9 \$145 141 141 -14
FRANCE	Saipem	Go.   Part Cares   5,650 - 40   Credit Suissa - 5,650 - 40   Elektrowatt - 9,950 - 150   Alinomoto.   Fischer (Geot 1,580 - 9)   Alinomoto.   Alinomoto.   Hoff-Roche PtCts 95,250 - 3,000   Alinomoto.   Alinomot		800 Cara A 1 20% 9½ 9½ -14 77000 Intr Thom \$11% 11½ 11½ 11½ 1000 Cara OK \$13% 13½ 13½ +12 20075 Intor Pipe \$413, 40¼ 40¼ -17482 Carma A 17 17 17 +1 1300 Ipsco \$84 65 65 9½ 45 44 40¼ -1400 Celaneae \$1514 1514 1514 1514 298 Ivsco A 1 \$214 21½ 21½	1000 Selfert A   \$24's 24's 10500 RoyTrates \$31's 31 31's +3e 10626 Shell Can 3193 18's 12's -1 155 SteinbrgA \$42 42 42 +1s
July 82 Price + or	NETHERLANDS	HOTT-ROCHO II ID _ 2,000 - Sus   Asahi Chom	1 832 ' —20   <del> </del>	6800 Centrid A \$578 534 534 -1, 625 Jennock \$2512 2514 2514 3100 Centri Tr \$10 1678 18 +14 2333 Kerr Add \$141, 141, 141, 141	2875 Sherritt
Emprunt 4/8 1976 1,570 —5 Emprunt 78 1976 7,910 —70 Accor ——————— 456 +6	July 29   Price   + or	Joimoli 5,496 - 76   Bank Tokyo	1,950   —20   Boustead Hidgs   1,05   +0, 919   —46   Cold Storage   5,30   +0, 6,90   +0,		
8IC 597 : -18	Fle —	Nestic	1 340 -30 Hone Leone Fin. 2 26 +0.		
Bouygues	ACF Holding 333 -1 AEGON 22.7 -0.9 Ahold 99.2 -0.6	Sandoz (9r) 10,300;500 Chugai Phar			
Sourgues 1,510	AKZO 165.7 -2 ABN 697.6 -6.5 AMEY 74.5 -1.9	Sika	n. 8k. 1,580 —30 Malay Banking 3.79 +0. lnk 478 —15 Malay Utd, lnd 1,40 +0. Ptg. 1,180 —30 Multi Purpose 0,46 +0. le 1,640 +40 OCBC 7,10 +0.		lices
Cle Bancairo	AMPO 105 -0.9	Swissair	1,780 +40 OCBC	NEW YORK	I was been been been been been been been bee
02rty	9uchrmann Tet: 908.5 2.6 Calland Higs 17.7 0.3 Dordtscho Petrn 178.5; 8.5	Swiss Sam	Singapore Press, 8.09 : +0.	DOW July July July July July 1986 Since Cm	
Enux (Cio Gen) 1,176 —40 Elf Aquitane 277 —3 Essilor 2,920 —20 Gen.Occidontale 1,065 +9	Fokker 96.8, -0.7	Puliteu	1,910 -40 Tat Lee Bk 2,36 +0.		All Ord.  1/1/60)   1106.1   1094.7   1118.8   1128.2   1247.0 (7/5)   1010.0 (2/11
Imetal 58 , -6	Gist Breeades 53.2 -0.7 Helnoken 164.1 -1.9 Hoogevene 103 -9.4	AUSTRALIA Green Cross Helwa Roal t	Est., 1,200 +60 SOUTH AFRICA	H'me Bnds. 90.32 90.41 90.54 21.06 21.45 91.94 81.75	AUSTRIA Greditok Aktien (30) 12:8) 229,81, 239,251 229,78 231,86,286,64 (23:4) 226,58 (6:5)
Lefarge Coppes, 1,595  7 L'Oreal	Hoogevere	July 29 Aust 8.; — Hitachi Cred	dit. 1,840 -110 July 99 Rand -	Transport. 716.65 720.60 715.38 726.55 729.75 880.54 885.97 880.64 12	- OCCUPAT
Material A 2 antella	KNP 156 -1.8 Naarden 50.1 -1.4 Nat Ned Cert. 78.7 -0.9	ACI Inti	13.4 +0.	Utilities 203,01 207,45 205,42 205,42 205,01,207,45 189,47 207,46 10	DENMARK
Moet-Hennessy 9,960 -50	Ned Mid Bank 207.5 -0.5 Hedlioyd 159 -1	Ashton	4,460 +90 Angle Att. Corp., 49.250.	*Day'e High 1515.84 (1681.57) Low 1760.36 (1791.06)	FRANCE
Pernod Ricard 1,000   -95 Pernod Ricard 1,000   -95	Oce Grinton 505 +1 Ommeren (Van),J 36.1 -0.5 . Pakhoed 58 , -0.7	Bell Oroup 9.15 + 0.16 Kao Corp		STANDARD AND POORS 1998 Since Compilate	CAC General (61/12/82): 378.9 1 861.5 377.5 874.6 411.8 (15/5) 267.6 (2/1) Ind Tendarice (61/12/82); 144.8 148.0 148.1 154.5 (12/5) 131.8 (2/1)
Peugeot S.A 999 ' -8	Philips				- OERMANY FAZ Aktien (51/12/58)   862,76 815,51 818,51 818,95 755,88 (17/4) 585,92 (22/7)
Radio tech		Brambles lods 9,06 +0,28 Konishiroku	464 -11 Orellontein 66.6   -0.	28 28 25 24 23 22 Night Lear High Len	- HONG KONO
Seftmeg	Unilever	B. H. Prep	868 -5 Highveld Steel - 6.8	(2/7) (22/1) (2/7/86) (30/6/	
	VNU 11.5 -4.5 Wessaner 71.5 -0.9 West Utr Bank 90	CRA	rs 378   -5   Rembrandt 74	Companies 234.78° 236.91 246.22 237.36 236.57 236.18 252.78 283.46 252.78 (2/7) (22/1) (27/7.08) (1/6/3	Banea Comm Hal. (1972) 729,55 731,65 717,96 714,82 808,20 (28/5) 454,67 (24/1)
		Chase Corp		Judy Judy Judy Year Ago (Approx)	Hikkel   18/6/46) 17728_9 18058_9 18050_56 18028_2 18050_56 (25/7) 12891_5 (21/1) Tokyo SE New (4/1/66) 1454_20; 1468_46 1452_62 1445_91 1468_46 (26/7) 1025_85 (21/1)
MOTES - Prices on this page	ere at quoted on the individual	Comalco "A" 9,2 +0,1 M'bishi Bank		<u> </u>	A DATE OF THE PARTY OF THE PART
exchanges and are lest traded at Ex dividend, as Ex serie lesue	prices, § Declings suspended. , ar Ex rights, se Ex ett. • Price	Consolidated Pet 0.18 M'bishi Chen Costain Augt 1.85 M'bishi Corp Elders DX 4.48 +0.06 M'bishi Elect	K 1,530 — 20 Sage Hidgs 10.6	Ind all yield 10	NETHERLANDS
MOTES Prices on this page exchanges and are last traded atd Ex thirdend, as Ex serie lases in Kroner,	prices, \$ Dealings suspended. , ar Ex rights, as Ex ett, * Price	Consolidated Pet D.18 Wbishi Cher	K 1,530 — 20 Sage Hidgs 10.6	Ind dir yield 10   3.13   3.80   2.88   3.89	NETHERLANDS ANP.CBS General (1970) 281,5 : 284,5 282,2 283,5 : 294,4 (11/7) 240,4 (5/8) ANP.CBS Indust (1870)   288,4 : 285,6 283,7 283,8 : 296,7 (11/7) 254,8 (6/5)
<del></del>		Consolidated Pet 0.18 M'bishi Chen Costain Augt 1.85 M'bishi Corp Elders DX 4.48 +0.06 M'bishi Elect	K 1,530   -80   Sage Hidgs	Ind. P/E Ratio	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS Indust (1670) 288,4 285,6 286,7 283,5 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (411/85) 582,92 587,85 535,07 588,97 462,91 (16/1) 532,92 (29/7)
OVER-THE-	COUNTER	Consolidated Peri D.18 Consolidated Peri D.18 Costain Aust	1,530 - 90 Sage Hidgs	Ind. P/E Ratio	NETHERLANDS ANP.CBS General (1970) 281.5 284.5 292.2 283.5 294.4 (11/7) 249.4 (5/5) ANP.CBS Indust (1870) 285.4 285.0 285.7 283.8 298.7 (11/7) 234.3 (6/5)  NORWAY CSIO SE (4) (185) 582.92 587.85 355.07 558.97 452.91 (16/1) 552.92 (29/7)  GINGAPORE Straits Times (50112/96) 748.44 762.91 727.10 723.45 776.89 (25/8) 565.54 (28/4)
<del></del>	COUNTER  Chrig Stock Safes High	Consolidated Peri D.18 M*bishl Cher M*bishl Consolidated M*bishl Elect M*b	1,530   -90   Sage Hidgs   -10.6   -0.75   -	Incl. P/E Ratio	NETHERLANDS ANP.CBS General (1978) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1979) 288,4 285,6 283,7 283,8 298,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (4(1)/85) 582,92 857,85 556,97 558,97 402,91 (16/1) 552,92 (29/7)  GINGAPORE Straits Times (50(1)/266) 748,44 762,81 727,10 723,45 776,89 (25/8) 556,84 (28/4)
OVER-THE- Stock Sales High Loss Last (Hodg) Continued from Page 3	COUNTER  Chrig Stock Safes High Plinting Styl.Sy 579 18 Safecda 24 1819 30'6	Consolidated Peri D.18	1,530   -90   Sage Hidgs   -10.6   -0.75   -	Ind.   P/E Reffe   17.12   17.82   18.61   11.99   10.45   11.99   10.45   11.99   10.45   11.99   10.45   11.99   10.45   10.45   11.99   10.45   11.99   10.45   11.99   10.45   11.99   10.45   11.99   10.45   11.99   10.45   1	NETHERLANDS ANP.CBS General (1970) 281.5 284.5 292.2 283.5 294.4 (11/7) 249.4 (5/5) ANP.CBS Indust (1870) 285.4 285.0 285.7 283.8 298.7 (11/7) 234.3 (6/5)  NORWAY CSIO SE (4) (185) 582.92 587.85 355.07 558.97 452.91 (16/1) 552.92 (29/7)  GINGAPORE Straits Times (50112/96) 748.44 762.91 727.10 723.45 776.89 (25/8) 565.54 (28/4)
OVER-THE- Stock Sales High Loss Last (Hodg) Continued from Page 3	COUNTER  Chrig Stock Safes High Plinting Styl.Sy 579 18 Safecda 24 1819 30'6	Consolidated Pet   D.1	1,630   -90   Sage Hidgs   -10.6	Ind.   P/E Ratio   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1876) 288,4 286,6 286,7 283,8 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (411/85) 582,92 587,85 536,07 588,07 462,91 (18/11 532,92 (28/7)  GINGAPORE Straits Times (30112/96) 745,44 762,81 727,10 723,45 776,89 (28/8) 566,54 (28/4)  SOUTH APRICA JSE Gold (28/9/78) — 1331,0 : 1314,8 1295,2 1358,6 (22/7) 1018,3 (2/11)  SPAIN Madrid SE (58/12/85) 173,08 171,85 (c) 172,53 194,77 (12/5) 199,83 (5/11)  SWEDEN
OVER-THE-  Stock Subs High Low Last (Hode)  Continued from Page 33  PicSevs 542 2312 224 2318  PicCals 48 6 21 2012 207  PionSt 12 1 36 35 35 37  PionSt 12 1 3 8 3 7  PionSt 14 7% 7% 7% 78  Piccolds 882 1615 18 1814	COUNTER  Ching Stock Sales High Hinds  5 SHLSy 578 18 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 649 Salesca 1	Consolidated Pet   0.18   +0.1     Wolshi   Ender   Consolidated Pet   0.18     Wolshi   Cher   Wolshi   Consolidated Pet   1.5     Wolshi   Cher   Wolshi   Consolidate   Cher   Wolshi   Consolidate   Cher   Ch	Trices    Sage Hidgs   10.6	Ind.   P/E Reffe   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1876) 288,4 286,6 286,7 283,8 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (411/85) 582,92 587,85 536,07 588,07 462,91 (18/11 532,92 (28/7)  GINGAPORE Straits Times (30112/96) 745,44 762,81 727,10 723,45 776,89 (28/8) 566,54 (28/4)  SOUTH APRICA JSE Gold (28/9/78) — 1331,0 : 1314,8 1295,2 1358,6 (22/7) 1018,3 (2/11)  SPAIN Madrid SE (58/12/85) 173,08 171,85 (c) 172,53 194,77 (12/5) 199,83 (5/11)  SWEDEN
OVER-THE- Stock Sales High Low Last (Hods)  Continued from Page 30  Pocava 642 291 202 201 Procedure 48 6 21 201 201 Procedure 48 6 21 201 Procedure 48 6 21 201 Procedure 48 6 21 201 Procedure 48 75 75 77 Procedure 48 20 201 18 184 Procedure 48 21 21 21 21 21 21 21 21 21 21 21 21 21	COUNTER    Steck   Safex   High	Consolidated Pet   D.1	1,630   -90	Ind.   P/E Ratio	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 240,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (4 1/85) 552,92 557,85 556,07 556,67 462,91 (16/1) 532,92 (29/7)  CINCAPORE Straits Times (50112/96) 748,44 762,81 727,10 723,45 776,89 (25/6) 565,84 (28/4)  SOUTH AFRICA JSE Gold (26/9/76) — 1531,0 1514,8 1298,2 1558,8 122/7 1018,3 (21/4) JSE Indust (29/9/76) — 1213,8 1298,5 1211,8 1219,2 (21/7) 1018,3 (21/4) JSE Indust (29/9/76) — 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SWEDEN JSCODSON & P (51/12/65) 2448,76 2462,77 2456,15 2498,14 2510,56 (7/7) 1729,87 (29/1)  SWITZERLAND
Stock Sales High Low Last (Hodg)  Continued from Page 3: Pocass 48 8 21 202 207 Pounds 1.04 1512 36 36 35 37 Pounds 1.04 1512 36 36 35 37 Pounds 1.04 1512 36 36 35 37 Pounds 1.04 1512 36 36 357 Pounds 1.04 1512 36 36 307 307 Pounds 68 21 25 25 25 25 25 25 25 25 25 25 25 25 25	COUNTER  Ching Steck Sales High Hedds Sales 24 1819 5016 513 541 541 541 541 541 541 541 541 541 541	Consolidated Pet   D.1	1,630   -90	Ind.   P/E Reffe   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 240,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (4 1/85) 552,92 557,85 556,07 556,67 462,91 (16/1) 532,92 (29/7)  CINCAPORE Straits Times (50112/96) 748,44 762,81 727,10 723,45 776,89 (25/6) 565,84 (28/4)  SOUTH AFRICA JSE Gold (26/9/76) — 1531,0 1514,8 1298,2 1558,8 122/7 1018,3 (21/4) JSE Indust (29/9/76) — 1213,8 1298,5 1211,8 1219,2 (21/7) 1018,3 (21/4) JSE Indust (29/9/76) — 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SWEDEN JSCODSON & P (51/12/65) 2448,76 2462,77 2456,15 2498,14 2510,56 (7/7) 1729,87 (29/1)  SWITZERLAND
Stock Swins High Low Last (Hodg)  Continued from Page 3: Page 3: 234, 234, 234, 234, 234, 234, 234, 234,	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.1	1,630   -80	Ind.   P/E Reffs   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 240,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 298,7 (11/7) 244,8 (6/5)  NORWAY OSIO SE (4 1/85) 552,92 557,85 556,07 556,67 462,91 (16/1) 532,92 (29/7)  CINCAPORE Straits Times (50112/96) 748,44 762,81 727,10 723,45 776,89 (25/6) 565,84 (28/4)  SOUTH AFRICA JSE Gold (26/9/76) — 1531,0 1514,8 1298,2 1558,8 122/7 1018,3 (21/4) JSE Indust (29/9/76) — 1213,8 1298,5 1211,8 1219,2 (21/7) 1018,3 (21/4) JSE Indust (29/9/76) — 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,85 194,77 (12/5) 198,85 (6/1)  SWEDEN JSCODSON & P (51/12/65) 2448,76 2462,77 2456,15 2498,14 2510,56 (7/7) 1729,87 (29/1)  SWITZERLAND
Stock Swins High Low Last (Hodg)  Continued from Page 3: Page 3: 234, 234, 234, 234, 234, 234, 234, 234,	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.1	1.530   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (4 1 85) 552,92 557,85 556,07 558,87 402,91 (16/1) 552,92 (28/7)  GINGAPORE Straits Times (50 12/96) 746,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/76) — 1251,0 1314,8 1295,2 1556,9 122/7) 1109,1 (21/4) JSE Indust (29/8/76) — 1218,8 1206,5 12/1,8 1219,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (50/12/85) 173,08 171,85 (c) 172,53 194,77 (12/5) 180,85 (5/1)  SPAIN Madrid SE (50/12/85) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWEDEN Jacobson & P (51/12/56) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWITZERLAND SWI
Stock Sales High Low Last (Hods)  Continued from Page 3: 42 291 224 224 224 224 224 224 224 224 224 22	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.530   -90	Inc.   P/E Reffe   17.12   17.82   10.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (4 1 85) 552,92 557,85 556,07 558,87 402,91 (16/1) 552,92 (28/7)  GINGAPORE Straits Times (50 12/96) 746,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/76) — 1251,0 1314,8 1295,2 1556,9 122/7) 1109,1 (21/4) JSE Indust (29/8/76) — 1218,8 1206,5 12/1,8 1219,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (50/12/85) 173,08 171,85 (c) 172,53 194,77 (12/5) 180,85 (5/1)  SPAIN Madrid SE (50/12/85) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWEDEN JSCODSON & P (51/12/56) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWITZERLAND SWI
Stock Sales High Low Last (Hods)  Continued from Page 3: 42 291 224 224 224 224 224 224 224 224 224 22	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.530   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.99	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (4 1 85) 552,92 557,85 556,07 559,87 402,91 (16/1) 552,92 (28/7)  GINGAPORE Straits Times (50112/66) 746,44 762,81 727,10 723,45 776,89 (25/8) 563,84 (28/4)  SOUTH APRICA JSE Gold (26/9/78) — 1551,0 1514,8 1295,2 1556,9 (22/7) 1109,1 (21/4) JSE Indust (29/8/76) — 1213,8 1208,5 12/1,5 1219,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (59/12/85) 173,08 171,85 (c) 172,83 194,77 (12/5) 199,65 (6/1)  SPAIN Madrid SE (59/12/85) 2448,76 9462,77 2465,15 2486,14 2510,56 (7/7) 1729,67 (29/1)  SWEDEN JSCODOOM & P (51/12/66) 2448,76 9462,77 2465,15 2486,14 2510,56 (7/7) 1729,67 (29/1)  SWITZERLAND SWIZERLAND
Stock   Sules   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.530   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.98	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,2 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (4 1 85) 552,92 557,85 556,07 558,87 402,91 (16/1) 552,92 (28/7)  GINGAPORE Straits Times (50 12/96) 746,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/76) — 1251,0 1314,8 1295,2 1556,9 122/7) 1109,1 (21/4) JSE Indust (29/8/76) — 1218,8 1206,5 12/1,8 1219,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (50/12/85) 173,08 171,85 (c) 172,53 194,77 (12/5) 180,85 (5/1)  SPAIN Madrid SE (50/12/85) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWEDEN JSCODSON & P (51/12/56) 2448,78 9462,77 2456,15 2498,14 2510,56 (7/7) 1729,57 (29/1)  SWITZERLAND SWI
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.530   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.98	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,7 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (41/85) 582,92 567,85 535,07 588,07 402,91 (16/11 532,92 (28/7)  GINGAPORE Straits Times (501/2/96) 745,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/78) — 1531,0 : 1314,8 1295,2 1558,8 (22/7) 1109,1 (21/4) JSE Indust (23/8/78) — 1212,8 1296,5 12/1,8 1212,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,55 194,77 (12/5) 199,85 (5/1)  SWEDEN Jacobson & P (5/112/65) 2448,78 2462,77 2455,15 2485,14 25/10,56 (7/7) 1729,87 (29/1)  SWITZERLAND SWITZERLAND SWITZERLAND SWITZERLAND M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  WORLD M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  SWITZERLAND SWITZERLAND ALL Common—500: Standard and Poors—10; end Terronto Composite and Metals—10,000. Toronto Indices based 1975 and Montreal Portholic 47//83, 1 Excloding bonds, \$400 Industriels plus 40 Utilities, 40 Financiale and 20 Transports, c Closed, u Unsystable.
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.530   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.98	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,7 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (41/85) 582,92 567,85 535,07 588,07 402,91 (16/11 532,92 (28/7)  GINGAPORE Straits Times (501/2/96) 745,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/78) — 1531,0 : 1314,8 1295,2 1558,8 (22/7) 1109,1 (21/4) JSE Indust (23/8/78) — 1212,8 1296,5 12/1,8 1212,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,55 194,77 (12/5) 199,85 (5/1)  SWEDEN JACODSON & P (5/112/65) 2448,78 2462,77 2455,15 2485,14 25/10,56 (7/7) 1729,87 (29/1)  SWITZERLAND SWITZERLAND SWITZERLAND SWITZERLAND M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  WORLD M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  SWITZERLAND SWITZERLAND ALL Common—500: Standard and Poors—10; end Terronto Composite and Metals—10,000. Toronto Indices based 1975 and Montreal Portholic 47//83, 1 Excloding bonds, \$400 Industriels plus 40 Utilities, 40 Financiale and 20 Transports, c Closed, u Unsystable.
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.630   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.98	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,7 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (41/85) 582,92 567,85 535,07 588,07 402,91 (16/11 532,92 (28/7)  GINGAPORE Straits Times (501/2/96) 745,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/78) — 1531,0 : 1314,8 1295,2 1558,8 (22/7) 1109,1 (21/4) JSE Indust (23/8/78) — 1212,8 1296,5 12/1,8 1212,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,55 194,77 (12/5) 199,85 (5/1)  SWEDEN JACODSON & P (5/112/65) 2448,78 2462,77 2455,15 2485,14 25/10,56 (7/7) 1729,87 (29/1)  SWITZERLAND SWITZERLAND SWITZERLAND SWITZERLAND M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  WORLD M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  SWITZERLAND SWITZERLAND ALL Common—500: Standard and Poors—10; end Terronto Composite and Metals—10,000. Toronto Indices based 1975 and Montreal Portholic 47//83, 1 Excloding bonds, \$400 Industriels plus 40 Utilities, 40 Financiale and 20 Transports, c Closed, u Unsystable.
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.630   -90	Ind.   P/E Reffs   17.12   17.82   18.61   11.98	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,7 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (41/85) 582,92 567,85 535,07 588,07 402,91 (16/11 532,92 (28/7)  GINGAPORE Straits Times (501/2/96) 745,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/78) — 1531,0 : 1314,8 1295,2 1558,8 (22/7) 1109,1 (21/4) JSE Indust (23/8/78) — 1212,8 1296,5 12/1,8 1212,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,55 194,77 (12/5) 199,85 (5/1)  SWEDEN JACODSON & P (5/112/65) 2448,78 2462,77 2455,15 2485,14 25/10,56 (7/7) 1729,87 (29/1)  SWITZERLAND SWITZERLAND SWITZERLAND SWITZERLAND M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  WORLD M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  SWITZERLAND SWITZERLAND ALL Common—500: Standard and Poors—10; end Terronto Composite and Metals—10,000. Toronto Indices based 1975 and Montreal Portholic 47//83, 1 Excloding bonds, \$400 Industriels plus 40 Utilities, 40 Financiale and 20 Transports, c Closed, u Unsystable.
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.630   -90	Indicated   P.F. Reston   17.12   17.82   18.81   11.99   10.45	NETHERLANDS ANP.CBS General (1976) 281,5 284,5 282,7 283,5 294,4 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5) ANP.CBS General (1976) 288,4 285,6 286,7 283,8 236,7 (11/7) 249,4 (5/5)  NORWAY OSIO SE (41/85) 582,92 567,85 535,07 588,07 402,91 (16/11 532,92 (28/7)  GINGAPORE Straits Times (501/2/96) 745,44 762,81 727,10 723,45 776,89 (25/8) 565,54 (28/4)  SOUTH APRICA JSE Gold (26/3/78) — 1531,0 : 1314,8 1295,2 1558,8 (22/7) 1109,1 (21/4) JSE Indust (23/8/78) — 1212,8 1296,5 12/1,8 1212,2 (21/7) 1019,3 (2/1)  SPAIN Madrid SE (56/12/85) 173,08 171,85 (c) 172,55 194,77 (12/5) 199,85 (5/1)  SWEDEN JACODSON & P (5/112/65) 2448,78 2462,77 2455,15 2485,14 25/10,56 (7/7) 1729,87 (29/1)  SWITZERLAND SWITZERLAND SWITZERLAND SWITZERLAND M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  WORLD M.S. Cagital Intl. (1/1/76) — : 528,4 529,5 529,5 521,5 (5/1) 502,6 (25/7)  SWITZERLAND SWITZERLAND ALL Common—500: Standard and Poors—10; end Terronto Composite and Metals—10,000. Toronto Indices based 1975 and Montreal Portholic 47//83, 1 Excloding bonds, \$400 Industriels plus 40 Utilities, 40 Financiale and 20 Transports, c Closed, u Unsystable.
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.630   -90	1.00   1.00	NETHERLANDS ANP.CBS General (1970) 281.5 284.5 282.7 283.5 294.4 (11/7) 240.4 (5/5) ANP.CBS General (1970) 282.4 286.0 286.7 283.5 294.7 (11/7) 244.6 (5/5) ANP.CBS Indust (1670) 282.4 286.0 286.7 283.5 294.7 (11/7) 244.6 (5/5) ANP.CBS Indust (1970) 282.4 286.0 286.7 283.5 294.7 (11/7) 244.6 (5/5) ANP.CBS Indust (1970) 282.4 286.0 286.7 283.5 294.7 (11/7) 244.8 (5/5)  NORWAY Oslo SE (41/85) 552.92 557.95 556.07 589.87 482.91 (16/11) 532.82 (29/7)  eingapore strains times (501/2/65) 746.44 762.81 727.10 723.45 776.89 (25/6) 565.64 (28/4)  SOUTH AFRICA JSE Gold (28/9/78) - 1212.6 1296.5 1211.5 1212.2 (21/7) 1182.1 (21/4) JSE Indust (19/9/78) - 1212.6 1296.5 1211.5 1212.2 (21/7) 1182.1 (21/4) JSE Indust (29/9/78) - 1212.6 1296.5 1211.5 1212.2 (21/7) 1182.4 (21/4)  SPAIN Madrid SE (50/12/85) 173.08 171.83 (c) 172.53 194.77 (12/5) 199.83 (5/1)  SWEDEN Madrid SE (50/12/85) 2448.76 2462.77 2455.16 2469.14 2510.56 (7/7) 1729.87 (29/1)  SWITZERLAND S
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 1 59 3024 1 53 Salesca 1 5024 1 53 Salesca 1	Consolidated Peri   D.1	1.630   -90	Index   PT Reside	NETHERLANDS ANP.CBS General (1970) 288.4 286.5 292.2 285.5 294.4 (11/7) 249.4 (6/5) ANP.CBS Jeduck (1870) 288.4 286.0 286.7 285.9 290.7 (11/7) 249.3 (6/5) ANP.CBS Jeduck (1870) 288.4 286.0 286.7 285.9 290.7 (11/7) 249.3 (6/5)  NORWAY Colo SE (411/85) 529.2 857.95 556.07 558.87 402.91 (18/11) 552.92 (28/7)  SINGAPORE Stratus Times (601/2/96) 746.4 762.81 727.10 723.45 776.89 (22/8) 566.84 (28/41)  SOUTH AFRICA JSE Gold (28/078) - 1213.6 1216.5 1241.8 1293.2 (24/17) 1093.1 (21/4)  JSE Indust (28/078) - 1213.6 1206.5 1241.8 1293.2 (24/17) 1093.1 (21/4)  SPAIN Madrid SE (50/12/85) 173.08 171.85 (c) 172.55 194.77 (12/5) 100.85 (5/1)  SPAIN Madrid SE (50/12/85) 2448.76 2462.77 24/55.15 24/65.14 25/10.56 (7/7) 1729.87 (29/1)  SWITZERLAND M.S. Cagital Intl. (1/1/76) - : 228.4 229.5 829.3 851.4 (4/7) 249.8 (28/1)  **Saturday July 29 : Japan Nikkel 177.998.3. TSE 1.445.90.  Base value of all indices are 100 except Brussele SE-1,000; J3E Gold—255.7. JSE Industrial—294.3, and Australia. All Ordinory and Metals—500.  NYSE All Common—60: Standind and Poors—10; and Toronto Composite and Matals—1,000. Toronto Indices based 1973 and Montreal Portfolio 4/1/83.1 Excloding bonds. 2 400 Industrials plus 40 Utilities. 40 Financiale and 20 Transports. Closed. Universible.  Special about these
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.1	1.630   -90	1.00   1.00	NETHERLANDS ANP.CBS General (1970) 281.5 284.5 292.2 283.5 294.4 (11/7) 240.4 (5/5) ANP.CBS General (1970) 284.4 285.0 286.7 283.9 283.7 (11/7) 243.5 (6/5) ANP.CBS General (1970) 284.4 285.0 286.7 283.9 283.7 (11/7) 243.5 (6/5)  NORWAY Oslo SE (4 1 65) 882.92 887.85 856.07 889.07 402.91 (18/1) 852.92 (28/7) OINGAPORE Strates Times (60 12/96) 748.44 762.81 727.10 723.45 776.89 (28/6) 565.54 (28/4) SOUTH AFRICA JSE Gold (28/978) — 1351.0 13/4.1 1298.2 1588.6 (122/7) 1109.1 (21/4) JSE Indust (29/6/78) — 1218.8 1208.8 12/1.5 12/1.2 (21/7) 1019.3 (2/1)  SWIEDEN JSCOBOO & P.5112/65) 173.06 171.85 (c) 172.85 194.77 (12/5) 190.85 (8/1)  SWIZERLAND S
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.1	1.630   -90	1.00   1.00	NETHERLANDS ANPLESS General (1970) 281,5 284,5 282,7 283,5 284,7 (1177) 240,4 (5/5) ANPLESS General (1970) 281,4 286,0 286,7 283,7 283,7 (1177) 240,4 (5/5) ANPLESS General (1970) 281,4 286,0 286,7 283,7 283,7 (1177) 240,4 (5/5) 281,5 (6/5)  NORWAY Ocio SE (41,69) 552,92 557,95 556,97 558,97 402,91 (16/11) 552,82 (28/7) 61NGAPORE Straits Times (601;266) 746,44 762,91 727,10 723,45 776,89 (25/6) 566,84 (28/4)  SOUTH APRICA JSE Gold (29/9/78) JSE Indust (23/8/78) JSE AND SWIEDEN JSECOBOR AP (51112/56) 8448,78 2462,77 2465,15 2466,14 2510,56 (7/7) 1729,57 (28/1)  SWITZERLAND SWISSEBARKCPR (51112/56) SWISSEBARKCPR (51112/56) SWISSEBARKCPR (51112/56) JSE Industries All Octory cod Metals—500 NYSE All Common—50: Standard and Poors—10: en Toronto Composite and Metals—1,000. Toronto Indices beed 1973 and Metals—1,000. Toronto Indices beed 1975 and Metals—1,000. To
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.1	1.630	1.00   1.00	NETHERLANDS ANP,CSS General (1970) 281,5 284,5 282,7 283,5 294,4 (1)77 244,4 (8)5) ANP,CSS General (1970) 282,4 286,6 284,7 283,5 294,7 (1)77 244,3 (6)5) ANP,CSS Indust (1870) 282,4 286,6 284,7 283,5 294,7 (1)77 244,3 (6)5)  NORWAY Oslo SE (H1/85) 882,92 857,85 355,07 536,87 462,91 (18)11 652,92 (28/7) Oslo SE (H1/85) 746,44 762,91 727,10 722,45 776,89 (28/8) 564,14 (28/4) SUUTH AFRICA SUUTH
Stock   Subs   High   Low   Last	COUNTER  Chang Steck Sales High Plantal Sales Sales 24 1819 2016 18 23 18 24 1	Consolidated Peri   D.1	1.630	No.   P.F. Reference   17.12   17.24   18.61   11.98   10.46	NETHERLANDS ANP,CSS General (1979) 281,5 284,5 282,2 283,5 294,4 (11/7) 244,4 (8/5) ANP,CSS General (1979) 283,4 286,5 286,7 283,5 294,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,5 286,7 285,6 293,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,7 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 782,91 727,16 722,45 776,89 (28/6) 565,14 (28/4) SOUTH APRICA JSE Gold (198/978) — 1531,8 1314,8 1293,2 1558,6 (12/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 1213,5 1213,2 (11/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 122,5 124,77 (12/5) 180,85 (8/1) JSE Industrial (1978) — 1218,6 120,5 124,77 (12/5) 180,85 (8/1) SPAIN Madrid SE (88/12/85) 173,88 171,85 (c) 172,53 184,77 (12/5) 180,85 (8/1) SPAIN JSE Industrial (1978) — 1288,4 128,5 1
Stock   Subs   High   Low   Last	COUNTER  Chang Steck Sales High Plantal Sales Sales 24 1819 2016 18 23 18 24 1	Consolidated Peri   D.1	1.630	No.   P.F. Reference   17.12   17.24   18.61   11.98   10.46	NETHERLANDS ANP,CSS General (1979) 281,5 284,5 282,2 283,5 294,4 (11/7) 244,4 (8/5) ANP,CSS General (1979) 283,4 286,5 286,7 283,5 294,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,5 286,7 285,6 293,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,7 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 782,91 727,16 722,45 776,89 (28/6) 565,14 (28/4) SOUTH APRICA JSE Gold (198/978) — 1531,8 1314,8 1293,2 1558,6 (12/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 1213,5 1213,2 (11/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 122,5 124,77 (12/5) 180,85 (8/1) JSE Industrial (1978) — 1218,6 120,5 124,77 (12/5) 180,85 (8/1) SPAIN Madrid SE (88/12/85) 173,88 171,85 (c) 172,53 184,77 (12/5) 180,85 (8/1) SPAIN JSE Industrial (1978) — 1288,4 128,5 1
Stock   Subs   High   Low   Last	COUNTER  Ching Stock Sales High Hinds  Salesca 24 1819 3019 Salesca 24 1819 3019 Salesca 170 812 5434 Salesca 170 812 5434 Salesca 150 69 3024 1 53 Salesca 150 69 3024 1 54 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 55 Salesca 150 69 3024 1 57 Salesca 150 69 3024 1 5	Consolidated Peri   D.18   Consolidated Peri	1.630   -90	No.   P.F. Reference   17.12   17.24   18.61   11.98   10.46	NETHERLANDS ANP,CSS General (1979) 281,5 284,5 282,2 283,5 294,4 (11/7) 244,4 (8/5) ANP,CSS General (1979) 283,4 286,5 286,7 283,5 294,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,5 286,7 285,6 293,7 (11/7) 244,3 (8/5) ANP,CSS Industrial (1979) 283,4 286,7 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 286,7 285,8 293,7 (11/7) 244,4 (8/5) ANP,CSS Industrial (1978) 283,4 782,91 727,16 722,45 776,89 (28/6) 565,14 (28/4) SOUTH APRICA JSE Gold (198/978) — 1531,8 1314,8 1293,2 1558,6 (12/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 1213,5 1213,2 (11/7) 1103,1 (21/4) JSE Gold (198/978) — 1218,6 1218,5 122,5 124,77 (12/5) 180,85 (8/1) JSE Industrial (1978) — 1218,6 120,5 124,77 (12/5) 180,85 (8/1) SPAIN Madrid SE (88/12/85) 173,88 171,85 (c) 172,53 184,77 (12/5) 180,85 (8/1) SPAIN JSE Industrial (1978) — 1288,4 128,5 1
Stock   Subs   High   Low   Last	COUNTER  Chang Steck Sales High Plantal Sales Sales 24 1819 2016 18 23 18 24 1	Consolidated Peri   D.1	1.630	Health   Free   Health   Hea	NETHERLANDS ANP,CSS General (1970) 281,5 284,5 282,7 283,5 294,4 (1)77 244,4 (8)5) ANP,CSS General (1970) 282,4 286,6 284,7 283,5 294,7 (1)77 244,3 (6)5) ANP,CSS Indust (1870) 282,4 286,6 284,7 283,5 294,7 (1)77 244,3 (6)5)  NORWAY Oslo SE (H1/85) 882,92 857,85 355,07 536,87 462,91 (18)11 652,92 (28/7) Oslo SE (H1/85) 746,44 762,91 727,10 722,45 776,89 (28/8) 564,14 (28/4) SUUTH AFRICA SUUTH
Stock   Subs   High   Low   Last	COUNTER  Chang Steck Sales High Plantal Sales Sales 24 1819 2016 18 23 18 24 1	Consolidated Peri   D.1	1.630	Indicates   Section   Indicates   Section   Indicates   Section   Indicates	NETTHERLANDS (1879) 281.5 284.5 282.7 282.8 283.7 (11/7) 240.4 (6/8) ANP.GBB Indust (1879) 281.4 285.6 282.7 282.8 283.7 (11/7) 240.4 (6/8) ANP.GBB Indust (1879) 282.4 285.6 282.7 282.8 283.7 (11/7) 240.4 (6/8) ANP.GBB Indust (1879) 282.4 285.6 282.7 282.8 283.7 (11/7) 240.4 (6/8) ANP.GBB Indust (1879) 282.2 283.7 282.8 283.7 (11/7) 240.4 (6/8) ANP.GBB Indust (28/8/78) 250.6 (28/178) 250.6 (28
Stock   Subs   High   Low   Last	COUNTER  Chang Steck Sales High Plantal Sales Sales 24 1819 2016 18 23 18 24 1	Consolidated Peri   D.1	1.630	1.00   1.00	NETTHERLANDS   281.5   284.5   282.7   282.8   284.7   (11/7)   240.4 (6.6)   ANP.GB8 Indust (1870)   288.4   286.6   286.7   282.8   284.7   (11/7)   240.4 (6.6)   244.8   (6.6)   282.8   282.7   282.8   284.7   (11/7)   240.4 (6.6)   244.8   (6.6)   282.8   284.7   282.8   284.7   (11/7)   240.4 (6.6)   244.8   (6.6)   282.8   284.7   282.8   284.7   (11/7)   240.4 (6.6)   282.8   282.7   282.8   282.7   (11/7)   240.4 (6.6)   282.8   282.7   282.8   282.7   (11/7)   240.4 (2.6)   282.8   282.7   282.8   282.7   282.8   282.7   (11/7)   101.3   (21/1)   292.8   282.8   282.7   282.8   282.8   282.7   (11/7)   101.3   (21/1)   292.8   282.8   282.8   282.8   282.7   (11/7)   101.3   (21/1)   292.8   282.8   282.8   282.8   282.8   282.8   (21/7)   292.8   (21/7)   (21/7)   (21/7)   (21/7)   (21/7)   (21/7)   (21/7)   (21/7)
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### AMEX COMPOSITE PRICES

Prices at 3pm, July 29

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Hôtels Concorde

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# **FINANCIAL TIMES** WORLD STOCK MARKETS

**WALL STREET** 

# **Determined** bid for stability

A DETERMINED attempt to stabilise sentimeot and stock prices was made oo Wall Street yesterday after the sharp setback suffered on Monday, writes Paul Hannon in New York.

The bond market, which had dropped steadily over the previous five sessions, recovered slightly with gains of up to % of a point in key Treasury issues.

At 2pm the Dow Jones industrial average was 4.07 lower at 1,769.83.

Among blue chips, IBM continued to lose more ground with its early \$% decline to \$131%, General Motors added \$%

to \$69%, while Ford held steady at \$55 despite an optimistic forecast for the

American Can slipped \$% to \$82% and Merck, at \$103%, was \$% bigher.

Computer issues featured with a \$% gain for Digital Equipment at \$88% in response to the micro-computer maker's surge in fourth-quarter earnings. Cray Research dropped \$2% to \$85% and Burroughs, at \$65%, was \$% cheaper.

E. F. Hutton gained another \$1% to \$38% oo persisteot speculatioo that the brokerage firm is about to be taken over.

FT-Actuaries
All-Share Index

1982

STOCK MARKET INDICES

711.50°

234.70\*

1,271.6

**NEW YORK** 

**DJ** Industrials

**DJ Transport** 

S&P Compos

FT-A All-share

FT-A 500

FT Ord

1983

July 29 Previous Year ago 1,769.83° 1,773.90 1,343.86

713.63

203.01

767.86

839.57

1984

679.78 155.26

189.60

Yeer ago

603,46

658.76

Hutton shares have risen \$5% in three

days.

Morgan Stanley picked up \$% to \$66 in further response ot its higher secondquarter figures. Merrill Lynch added \$% to \$33% on its proposed disposal of a leasing subsidiary that will realise a \$70m

Chase Manhattan was actively traded \$\% down to \$38\% despite announcing plans to dispose of its Computer Power subsidiary. Among other banks, Bank-America held steady at \$13 while First

Interstate Bancorp fell \$1 to \$60%. Coco-Cola dipped \$% to \$39% on reports that the group had made its bid for Dr Pepper, another soft drinks manufacturer, in an attempt to jeopardise the Pepsico acquisition of Seven-Up on anticompetition grounds.

Wendy's, the third largest bamburger chain in the US, fell \$4 to \$13% on reports that the group was selling its UK unit for \$10m. Safeway, which jumped \$4% on Monday on the Kohlberg Kravis Roberts leveraged buyout plan, shed \$% to \$65% on profit-taking while Sears recouped \$1% of its Monday loss to \$42%. Dart, the unsuccessful bidder for Safe-way, fell another \$3 to \$148 in over the counter trading.

Santa Fe Southern Pacific, which may have to sell one of its merged rail oet-works to comply with an Interstate Com-merce Commission ruling, regained \$\% to \$28, while Burlington Northern dropped \$1% to \$51%.

Among active steelmakers, LTV re gained \$% to \$3% while USX lost an early \$% but later firmed \$% to \$17% on its \$14m profit for the second quarter.

1700

1300

STERLING

1.4815

230.75

25175

64.65

2.0525

10.13

July 29 Previous

1.4885

3.1425

231.75 10.16

25150

64.90

2.0650

1986

KEY MARKET MONITORS ...

1935

1986

July 29

155.70

6.84

43.60

155,75

6.8375

1.70

43.65

1.3875

1,449.5 1,453.5 2,157.5 2,153.5

Bethlehem Steel fell a further \$1/4 to \$9% while Armco's higher second-quarter loss resulted in a \$% drop to \$6%.

Oils continued to slip amid the unease over the outcome of the Opec meeting oo prices and production. Exxoo shed \$\%\$ to \$58\% and Texaco gave up \$\%\$ to \$29%. Pennzoil was \$% cheaper at \$54%. Global Marine, the offshore oil and

gas driller, was unchanged at \$1 as it reported a jump in its second-quarter loss

Also responding to results were Borden, the chemical to dairy products group, down \$% to \$44% despite stronger earnings; Transco Energy, the oil and gas exploration and development group, fell \$2% to \$36% on higher losses for the last quarter; United Brands, the food services group, rose \$% to \$28% in thin trading on its higher quarterly profits, and Maytag, the household appliances group, jumped \$1% to \$45% despite a

sharp drop in quarterly earnings.

The bond market staged a modest recovery ahead of today's major Treasury refunding operation.

The key long bond, the 7% per cent due in 2016, recovered 2% of its recent plunge to trade at 982% to yield 7.50 per

The beliwether 10-year bond, 7% due in 1996, recouped 1% at 992% to yield 7.39 per cent. Federal funds opened at 6% and held

at that level for most of the session. Rates on Treasury bills were mixed with the three-month bill adding one basis point to 5.87 per cent and the sixmonth bill unchanged at 5.89 per cent. The one-year bill was two basis points lower at 6.98 per cent.

## **Sobered by** transatlantic influences

THERE was little comfort for investors in Europe yesterday as all the ma-jor bourses ebbed under transatlantic influences and an absence of fresh fac-

Frankfurt, sobered by the overnight slide oo Wall Street, got off to a weak start and the Commerzbank index, cal-culated at midsession, lost 34 to 1,809.3.

However, some later buying developed following release of West Germany's trade surplus figures - the second high-est since the Second World War - and the market ended the day on a mixed

Banks and retailers scored some gains, but other sectors, particularly cars, steels and electricals, showed

Among banks Deutsche and Commerzbank, with half-year results due this week in the wake of Dresdner's improvement last week, added DM 4 and DM 5 to DM 782 and DM 302 respectively. Dresdner bank was also DM 5 up at

Retailers showing improvements included Horten, up DM 4 at DM 196, Kaufhof, which rose DM 6 to DM 456, and Karstadt, DM 7 better at DM 373. Among the motor manufacturers Daimler lost DM 11 to DM 1,131, bringing its total fall this week to DM 34. Elsewhere in the sector BMW declined

DM 4 to DM 486 ex-rights, and VW DM 7.20 to DM 454. In the chemical sector BASF lost DM 2.10 to DM 243.90, Bayer DM 1.50 to DM 266.50 and Hoechst DM 1 to DM 244.50.

Bonds closed mixed showing gains and losses of around 10 basis points compared to Monday. The Bundesbank bought DM 12.8m

worth of domestic paper against yester-day's figure of DM 48.4m

Amsterdam eased in line with the trend on other bourses while the internationals were also hit by the decline in the value of the dollar. Among internationals Unilever lost Fl 6 to Fl 476. Active trading in Royal Dutch left it Fl 2 down at Fl 184.80 and

Philips lost 70 cents to Fl 47.10. Bonds were slightly lower as institutional investors remained on the side-

Brussels failed to find solace in optimism over the Belgian political situation and the bourse saw most of Monday's

gains wiped out. Industrials experienced some of the hardest falls including Solvay, down BFr 140 to BFr 7,090, and Petrofina, which shed BFr 90 to BFr 6,570.

Holding company Société Générale de Belgique, which added BFr 55 on Monday following reports of higher 1986 profits, lost BFr 75 to close at BFr 2.850. Paris followed the downward trend and also suffered from a bout of late profit-taking towards the close.

Engineering issues took some of the hardest knocks and included Matra which closed FFr 60 down at FFr 2,320. Among oils, which were also affected by price worries, Elf Aquitaine lost FFr 3 to FFr 277, while chemical Roussel-Uclaf, which soared FFr 40 on Monday, slipped back FFr 10 to FFr 1,560.

Zurich lost most of the gains of the previous two sessions following the fall on Wall Street and in the value of the

Few sectors escaped selling pressure. Among foods Nestlé bearer, which expects 1986 profits at least to match the previous year, fell SFr 225 to SFr 7,475. Stockholm closed lower in quiet trad-

ing and Oslo cootinued to suffer from worries over the oil price and the outcome of the Opec talks in Geneva. Madrid, against the trend, closed marginally higher.

## Yen's rally dampens enthusiasm

THE OVERNIGHT plunge on Wall Street and the yen's strong rally damp-ened buying interest in Tokyo yesterday sending equities sharply lower on a wide front, writes Shigeo Nishiwaki of Jiji

The Nikkei average tumbled 310.00 to 17,728.94, its second steepest fall this year. But volume expanded from 767.86m to 1.32bn shares, reflecting busy trading in large-capital stocks. Declines far outpaced advances by 716 to 161, with 83 issues unchanged. With the beginning of transactions for

August settlements, institutional investors sought low-priced, large-capital is-sues in substantial lots, prompting buying by individual investors. One securi-ties company official latter commented that, while institutional buying was smaller than expected, individual pur-chases for quick profit were much larger than anticipated.

Trading volume of the top 10 active stocks accounted for 48.4 per cent of overall turnover on the Tokyo Stock Ex-

change.

Nippon Kokan headed the active stock list with 134.21m shares changing hands on buying largely by individual investors. But it shed Y6 to Y239 on profit-taking sparked by the Dow Jones industrial average's slide below 1,800 on Wall Street. Ishikawajima-Harima Heavy Industries, second busiest with 124.72m shares, weakened Y8 to Y375 but Nippon Steel rose Y3 to Y199 and Toshiba, Y12 to

Tokyo Gas climbed Y30 to another all-time high of Y760 with 96.21m shares traded, reflecting renewed investor in-terest in its windfall profit from lower crude oil prices, the stronger yen and de-clining interest rates. Other gases firmed in sympathy, with Osaka Gas gaining Y29 to Y545.

Electric powers were mixed. Tokyo Electric Power and Kansai Electric Power advanced Y80 each to Y5,580 and Y3,740, respectively, while Chubu Electric Power plunged Y90 to Y3,800 and Hokuriku Electric Power Y130 to Y2,970.

Nippon Yusen became popular with 55.05m shares traded. It firmed Y10 to Y525 on an improved buy-sell ratio in

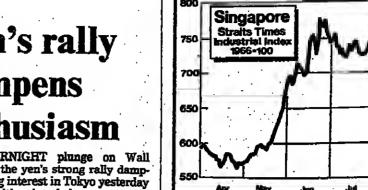
margin trading.

Some construction stocks were also favoured and hopes of higher government spending oo public works. Ohbayashi strengthened Y25 to Y785 and Kajima Y31 to Y1,030.

gy-related issues slumped almost across the board. Matsushita Electric Industrial lost Y70 to Y1,280.

Bond trading remained lethargic as institutional investors and dealers stayed on the sidelines, discouraged by a continued sharp decline in US Treasury bond prices before large-lot biddings by the Treasury Department for the third quarter of this year.

The yield on the benchmark 6.2 per cent government bond due in July 1995 rose from 4.765 to 4.79 per cent at one stage. But the bond later rallied and closed at 4.745 per cent after a large volume of buy orders were placed at 4.8 per



### SINGAPORE

THE STRAITS TIMES industrial index continued to climb in Singapore yester-day, adding 10.53 to 743.44 as bargain bunting and short covering pushed prices higher.

News that the economy had stopped contracting in the second quarter of the year led buyers towards blue chips and selected trustee stocks.

But the impending Malaysian election continued to strike a note of caution in the market following financial problems faced by some listed companies

Singapore Press ended at S\$8.05, up 15 cents, Cerebos advanced 14 cents to S\$3.34, Inchcape 9 cents to S\$2.12 and Singapore Airlines 5 cents to S\$7.25. Among firmer banks, OCBC and Malayan Banking both put on 10 cents to finish at S\$7.10 and S\$3.72 respectively.

### **HONG KONG**

LATE BUYING interest in Hong Kong pushed the Hang Seng index up 12.72 to 1,880.01, just under its peak of 1,865.65. Buyers sought utilities after heavy overnight purchases in the London market.

ket. Hongkong and China Gas jumped 40 cents to HK\$17.30 as rumours surfaced, of an outright takeover bid for the group. No such development eventuated,

Takeover speculation also surrounded Hongkong Telephone, up 30 cents at HK\$12.90. Talk centred on a buyout by its major shareholder, Cable & Wireless.
Strong interest from US investors fuelled solid rises in trading companies.

### CANADA

THE DECLINE continued in Toronto yesterday despite a slight recovery in Wall Street.

Hiram Walker traded up CS% at C\$37% after setting the C\$1.1bn sale of its home oil unit to Interprovincial Pipe Line which dropped CS% to C\$41%. Hiram's parent company Gulf Canada slipped C51% to C512%.

Also among actives was Galactic Resources, down CS% at CS8% after comther mineral exploration.

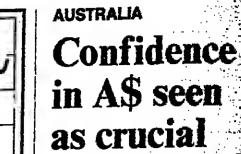
All major sectors were lower in Mon-

### SOUTH AFRICA

TRADING was mixed in Johannesburg with golds firmer on a bullion price held

A hesitant mood surfaced ahead of the meeting between British foreign secre-tary Sir Geoffrey Howe and President P.W. Botha.

Vaal Reefs climbed R4 to R265, Kloof R1 to R24.50 and both Driefontein and Buffels advanced 50 cents each to R55.50 and R76.75 respectively.



A RETURN of confidence in the local dollar was seen as crucial in Sydney markets yesterday after the Gove meot's moves on Monday to support the currency and to relax foreign investment regulations, writes Perrie Canshaw in London.

Prices inched ahead as some foreign money trickled into the market and the All Ordinaries index regained part of its 24-point fall of the previous session to

end up 11 at 1,105.5.
Under the foreign investment regulations announced on Monday, foreign companies no longer need 50 per cent to cal participation to acquire property companies. The same applies in the

manufacturing sector. As a result, property developers scored the best gains of the day, with Lend Lease up 16 cents at AS7.98, Hooker Corporatioo 12 ceots higher at A\$2.47 and Westfield Holdings higher by 10 cents at A\$17.20.

Market analysts believe that foreign especially South-East Asian money will continue to pour into this sector, which

is attractive as a safe and stable longterm investment. However, a London-based trader with the Australian broker Bain & Company

feels the Government could have gone further with its deregulation measures. "Although the reversal on foreign investment was a pretty bold measure," he said, "the Government has still made no

comment on deregulation in the mining sector, a move which would be welcomed by investors."

Most brokers see the market mark-ing-time ahead of the August budget. A Potts West Trumbull broking analyst says: "The markets will be looking for a tight budget as a sign that the Government is coming to grips with the funda-mental problems." He says that the mood continues to be defensive but that some buy opportunities might be thrown up in the future among companies with substantial overseas earnings.

### LONDON

ENTHUSIASM returned to equity buy-ing in London yesterday as sterling performed more steadily, an opinioo poli re-vealed a revival in the Government's popularity and a report indicated that Opec has made progress towards cutting production levels.

After heavy losses in early trading, market indices rallied. The FT-SE 100 regained a fall of 12.6 to end 7 up at 1,556.4, while the FT Ordinary share index closed 7.8 higher at 1,271.6 after

Gainers included Bass up 15p at 770p. Impala Platinum 35p higher at 615p, Polypipe 17p ahead at 140p and Grand Met-

ropolitan 383p after a rise of 13p. Confidence was rebuilt in the bond market on sterling's performance. Prices were lowered a fraction at the outset and eventually improved substan-

Longs regained % before ending up %, while shorts and index-linked stocks also rallied from their recent low levels. Chief price changes, Page 33 Details, Page 32; Share information service. Pages 30-31

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Commerzbenk		1,843.30	1,387.7	1-10		146.12	+0.35	7.16	-0.06
HONG KONG				1-3 3-5		137.50 148.28	+0.12	6.82	-0.04
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ANP-CBS Gen	281.50	284.30	217.8	3% Jul		91%	6.33	90%	6.60
ANP-CBS Ind	283.40	285.60	185.2	SCBT	South C		2.00	307	0.00
NORWAY				10% Ja	n 1993	106%	6.60	106	6.63
Osio SE	332.92	337.83	347.38	Philbro					
SINGAPORE				8 April	1996	8.55	96.40	96.72	8.50
Straits Times	743.44	732.91	777.45	TRW					
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SPAIN Nedd CT	450.00	450		Citicon		91%	9.02	91	9.00
Madrid SE	173.09	171.83	82.61		) ich 2016	2011			
WEDEN							9.76	964	9.78
J&P	2,448.76	2,482.77	1,353.55	Source:	Siliomon	Brothers			
WITZERLAND					FIN	ANCIAL	FUTU	RES	
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	11100				aşury İ		<b>m</b>	3,-04	∞-₩
_	MODI	E-2		\$1m pc	ints of	100%	-,		
London)		July 29	Prev	Sept		94.27	94.30	94,23	94.23
Silver (spot fixing)	3	38.25p	339.95p	Certific	cates o	f Deposi	t (MANA)		
opper (cash)			898.00	\$1m po	ints of 1	100%			
Coffee (September)			893.50	Sept		n/a	n/a	n/a	93.69
Of (Brent blend)	•	9.20	\$8.87	LONDO				-	
GOLZ	(per ou	nco)	<del></del> [			Eurodoll	<b>e</b> r		
- WOLL				\$1m po	ints of 1				
ondon		uly 29 352.50 \$	Prev 353,50	Sept		93.38	93.38	93.35	93.41
ürich	Ξ.		353.45			nal Gilt			
aris (fixing)			354.11	250,000	32nds (	of 100%			
uxembourg			348.90	Sept		120-11	120-17 1	19-27 1	19-27
lew York (Aug)			355.10	" Louest a	veilenie i	raupe			— I